THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 3, 1938 | 10c a Copy; $5.00 a Year | No. 36

The Nation's Business

Bren Contract Stirs the Nation

THE prompt action of the Dominion Government in taking cognizance of the Bren gun contract mystery at its cabinet meeting this week is indicative of its national importance.

It is less than a week since challenging questions regarding this contract were asked by Col. George Drew in Maclean's Magazine and reprinted in The Financial Post. In that time, hundreds of columns of newspaper clippings have attested the national interest aroused.

Seldom in Canadian political history has such an article brought forth such immediate and widespread response. Editorial writers from coast to coast have joined in demanding a thorough investigation.

For the most part they have expressed their belief as to the inadequacy of the reply made last week under authority of Hon. Ian Mackenzie to the Drew questions.

* * *

THE important question is, of course, not one of personalities or politics, but the safeguarding of the public interest in respect of munitions contracts. That is why the type of probe to be instituted by the Dominion Government is important, and why a mere "passing the buck" to a public accounts committee of the House is inadequate.

There are two chief requisites.

First the probe should be held immediately. Second, it should be judicial in character.

To leave the matter hanging in suspense until the public accounts committee of the Commons meets next winter would be reprehensible.

* * *

Violation of Prime Minister's Policy

SPEAKING in the House of Commons on April 2, 1937, Prime Minister Mackenzie King made this statement:

"For some time past an interdepartmental committee has been going very carefully into the whole question of the control of profits with respect of munitions of war . . . The line upon which we have been proceeding is to attempt to draw a distinction between war materials produced in times of peace and what may be necessary in times of war.

"At the present time, in a time of peace, the Government is proceeding on the theory of permitting competition with reasonable remuneration, the work to be subject to inspection and audit.

"We agree . . . in asserting the principle that no profits be made out of war."

This statement sets down clearly and positively the Government's position in respect of armament manufacture. It affirms the principle that "no profits be made out of war." It establishes as a peacetime policy the manufacture of private munitions by private concerns through "competition with reasonable remuneration."

* * *

YET the Bren gun contract which Defence Minister Ian Mackenzie boasts is "one of the finest ever signed in the public interest of Canada" definitely violates principles laid down by the Prime Minister.

For one thing it was let without public tender, nor were established organizations permitted to bid.

How can such a contract square with the Prime Minister's theory of "permitting competition"?

Mr. Mackenzie says the "Canadian suggestion that tenders be called was not acceptable to the British Government as they would countenance no delay."

But Mr. Mackenzie admitted himself that the need for Bren guns was realized back in 1936. With the interdepartmental committee appointed at least a year and a half ago it is inconceivable that there was not ample time to let public contracts had the Government wished to do so.

With this statement of Government policy already on record in Hansard early in 1937 it should have been unnecessary for Canada to make the "suggestion" to Britain that tenders be called. It should have been understood from the first that Canadian Government policy insisted on "permitting competition."

* * *

Questions Must Be Answered

LAST week's reply under authority of Hon. Ian Mackenzie to the charges of Col. George Drew offers no satisfactory answer to the questions asked by The Post last week in this column and which are repeated again:

1. Why was the contract let without tender?
2. Why were established firms, equipped with machinery, and going organizations not invited to submit bids?
3. Why was the contract given to a firm with little more, at the time the contract was signed, than four bare walls?
4. Where did all the stock in the reorganized company go to? Who will share the profits?

* * *

THIS is not a question of personalities or politics. It is a matter of the most vital national interest. A matter on which immediate action must be taken to prevent further important contracts being

(Continued on page 2, col. 3)

Millers Now Confident That Tide Has Turned

Substantial Gain in Flour Exports Now Expected as Pre-1929 Conditions Are Resumed — British Preference and National Selling Policy Two Major Uncertainties

By GORDON L. SMITH
Staff Writer, The Financial Post

(For investment analysis of individual milling companies see page 13).

Canada's important milling industry is confident that the tide has turned. For the first season since 1929, it is facing normal times.

Flour exports, which had shrunk steadily from a record high of over eleven million barrels nine years ago to well under four million for the crop year just closed, are now expected to show a substantial gain. This will not only mean greater total volume of products handled, but, of equal importance, it will mean less pressure on the domestic market where recently price cutting has threatened.

The milling outlook today is in sharp contrast to the year which for the majority of Canadian milling companies ended either July or August 31. When company reports are available next month they will almost all show much poorer results than for 1937, The Financial Post understands. And that year, it should be remembered, was far from satisfactory.

Export Trade Vital

Canada's milling industry, like wheat, is based on a big and thriving export trade. To operate really profitably there must be an annual export trade of between six and eight million barrels. If necessary there is capacity for turning out close to twice this amount in addition to supplying the domestic field. There has been no such large export in several years, and barring war or other unusual event, little prospect of more than five million for some time to come. It is a foregone conclusion that if existing plants were being rebuilt today they would be erected on a more moderate scale.

Since the war and particularly in the last decade the world milling industry has witnessed very considerable reorganization and expansion. Practically all the big mills in Great Britain and Continental Europe, Japan and China have been rebuilt. In place of small scattered units, huge modern mills have been erected in strategic shipping positions. In addition, several European countries, which formerly were content to export grain and buy flour, have now thriving milling industries of their own. As a result world competition has increased four or five times.

Eventually, better and cheaper Canadian flour may again force its way into European and Oriental markets but as a rule it takes very much longer to regain markets than to lose them.

Ammunition Scarce

In the last seven or eight years moreover the Canadian export milling industry has been fighting a losing battle with little ammunition. Western wheat crops have been either below normal or our grain has been held at relatively high levels. As a result the Canadian miller has had to pay a higher price for his raw materials than has his European and Oriental competitor. This sort of thing makes for difficult times in any line of manufacturing and particularly with the narrow spread allowed for grinding wheat into bread flour, bran and shorts.

When the price of wheat and everything else took a tumble back in 1929 and continued to tumble for several years following, this country found itself with a huge accumulation of grain in country and terminal elevators. The millers, however, did not get a chance to grind this into cheap flour and with it open up new markets. First the pools and later the McFarland Wheat Board decided to hold for higher prices. Canadian wheat values got sharply out of line with those of the Argentine, Australia, the Danubian countries and Russia. Foreign millers had a distinct advantage in raw materials and Canadian hard wheat flour was undersold in Europe.

Undersold in Foreign Marts

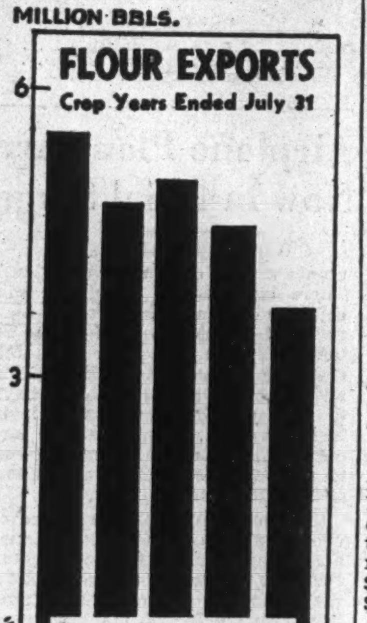
In the soft wheat flour markets of the Orient and the West Indies, too, they were undersold for two reasons. First, the devaluation of the pound in Australia gave the millers of that soft wheat producing country a big advantage. Secondly, the raw materials and soft wheat in Canada, mostly Ontario winter wheat, ran into a series of bad years. In fact Ontario production fell off so seriously in one season that soft wheat or pastry flour from Britain was actually imported by Canada.

When the Wheat Board's selling policy was changed late in 1935, and the Canadian Government decided to offer its huge surplus at world values again, millers thought that their troubles were over. A couple of crop failures — 1936 and 1937—however, again upset the situation.

Hit by High Premiums

Dwindling world reserves brought carryover of Canadian wheat into

(Continued on page 5, col. 5)



Ford Motor Co. Head Confident

7 Months' Business Down 12% — Looks Good For Fall Sales

Because of reduction in both export and domestic business, production of Ford Motor Company of Canada was down 12% in the first seven months of 1938 from the level reached in the corresponding period of 1937, according to W. R. Campbell, president. Ford Motor Company accounted for 43% of total Canadian automobile production in the latest period.

Mr. Campbell feels that the company has had a reasonably good year to date and states that they are confident about the future. The company was able to maintain its employment within 1% of 1937 totals so far this year.

Mr. Campbell compares the automobile industry in Canada with that in the United States, showing that Canadian production for the whole industry was down less than 25% in the first seven months of this year while the drop in the United States was more than 50%.

Confident of Exports

Mr. Campbell has confidence in the company's export business which accounts for approximately half of its unit sales. So far this year this section of the business has held up satisfactorily and overseas' subsidiaries of the company report that unit sales for the first six months were down about 11% but total dollar volume was maintained within 3% of the 1937 figure for the same period.

As regards domestic business, Mr. Campbell states that the automobile industry expects business to be good in this country this fall. Much of this he attributes to good farm crops in most sections of the country and a wheat crop in the West which will go a long way toward restoring both purchasing power and confidence.

Judging from Mr. Campbell's comments on the company's production, it is not likely to reach last year's level of profits when $2.27 a share was earned on the combined A and B shares. Under normal circumstances the company does about two thirds of its business in the first six months and with seven months' results now available showing a drop of 12% in production, it is hardly likely that this can be made up in the remaining five months. This, however, should still leave the company with an ample margin over the annual dividend requirements of $1 a share.

Highlights of the Week

Railway amalgamation in Great Britain has not solved all the problems its sponsors hoped. An authoritative correspondent has analyzed the whole situation for The Financial Post and compared the problems with those in Canada.
Rail Amalgamation—p. 9.

* * *

Canada's exhibit at the Glasgow exhibition criticized for lack of imagination and dramatic presentation. Weaknesses are pointed out by a special writer and suggestions made.
Weakness Seen—p. 9.

* * *

Dividends to be paid to Canadian companies in September will show a gain over last year for the second consecutive month. The total for the first nine months, however, is still below that of a year ago.
September Dividends—p. 3.

* * *

Health insurance, delayed by opposition of doctors, is likely to be introduced again next year in British Columbia. The convention of the B. C. Liberal party strongly backed the Government's health insurance programme.

REGULAR FEATURES

Banking 11
Bond Markets 5
Editorial 6
Insurance 11
Investment Trends 4
Investors' Enquiries 10
Mining Enquiries 15
Week in Business 7
Week in Mining 14
Week in Oils 15
Week in Wheat 13

Quebec Out $35 Millions On 1937-38

Ordinary Surplus of $3 Millions Offset by Other Accounts

MILLIONS ON ROADS

From Our Own Correspondent

MONTREAL.—With revenues at a record level, the Province of Quebec had a surplus on ordinary account of slightly over $3 millions in the year ended June 30 last. However, there was a substantial deficit if extraordinary and capital expenditures are taken into consideration.

Results on ordinary account were not as favorable as in the previous year although there was an increase of over $7 millions in ordinary revenue. This is due to an increase of $8 millions in ordinary expenditures. Surplus on ordinary account was $3,008,287, compared with $3,968,565 in the 1936-37 fiscal year.

The increase in revenue collections was fairly general, as was the increase in expenditures. The main increase in receipts came in succession duties, which totalled $11.3 millions, compared with $7.6 millions in the previous year.

Like other provinces, Quebec classifies its expenditures under three headings, ordinary, extraordinary and capital. Extraordinary expenditures include not only relief expenditures, but also the deficit of the Public Charities' Fund and certain colonization expenditures. However, not all relief and colonization expenditures are charged to this account, some being classified as capital.

Extraordinary expenditures in the 1937-38 fiscal year totalled $16.1 millions, compared with $17.3 millions in the previous year. Thus, deficit after taking into consideration extraordinary expenses such as relief and colonization amounted to $13.1 millions. This compares with $13.4 millions in the previous year.

Colonization Costs

It should be noted that colonization expenditures were entirely charged to extraordinary account in 1936-37. In 1937-38, colonization expenditures of over $5.3 millions were charged to capital account.

Colonization expenses are a big item in Quebec's budget. In addition to ordinary expenditures of almost $3 millions on colonization last year, the province spent $7.1 millions in aiding colonists, establishing settlers, and building colonization roads.

Unlike other provinces, Quebec did not report lower relief costs. The cost of direct relief dropped from $7.3 millions to $2.5 millions, but this was more than made up by increased expenditures on relief works. Total extraordinary expenditures under the Unemployed Aid Act amounted to $12.4 millions in 1937-38, compared with $10.1 millions in 1936-37. It should be noted that these figures include aid to colonists of

(Continued on page 5, col. 4)

Ottawa Firm On the Seaway

Claims Legal Right to Proceed Regardless of Ontario's Attitude

From Our Own Correspondent

OTTAWA. — The Dominion Government feels that it is entirely within its legal and constitutional rights to proceed with a treaty with the United States for the development of the St. Lawrence Seaway regardless of the attitude of the Province of Ontario as expressed by Premier M. F. Hepburn. This view was expressed by a high official of the Department of Justice. The head of the Ontario Government may be told this fact in precise manner in the not distant future by Prime Minister W. L. M. King.

The Canadian Government is in a more definite position with respect to waters and water powers than is the Government of the United States, it was pointed out.

Reference to Supreme Court

The question of water power jurisdiction has never been dealt with by the Privy Council, it was pointed out at the Department of Justice. The Dominion Government banks its authority on a reference in 1928 to the Supreme Court of Canada "as to the relative rights of the Dominion and provinces in relation to the proprietary interest in and legislative control over waters with respect to navigation and water powers created or made available by or in connection with works for the improvement of navigation."

The following ruling, embodied in the 1928 reference, is of prime importance to the Dominion: "The title to the bed of the river is subject to that public right of navigation" . . . except the acquiring of a superior right to the use of such waters or the granting of the use of the waters of a river for other purposes, such as mining, irrigation or industry. Not one of these points has been determined by the Privy Council because the answers of the Supreme Court were considered "so favorable to the Dominion Government that a higher decision was unnecessary," the department official asserted.

Navigation Rights

The Dominion Government can proceed with the completion of treaty procedure on the basis that, though Ontario may own all or part of the bed of the St. Lawrence River, the Federal Government holds a superior right in the development of the river for navigation purposes.

Papers Across Dominion Demand Complete Probe of Drew Charges

Drew Returns to Attack as Events Move Swiftly in Week Following Publication of Bren Gun Article — Dummy Directors Still on John Inglis Board After Two Years

Within a few short days the Bren gun contract has become a matter of first-rate national importance, following the startling disclosures by Col. George Drew in Maclean's Magazine and which were reprinted in The Financial Post last week. Scores of newspapers in every part of Canada have added their weight in demanding a thorough investigation. Seldom in Canadian political history has such an article created so immediate a public response or brought such quick results by way of official eagerness to probe the situation as revealed by Col. Drew.

One major result of the Bren story has been its possible effect on future British armament orders. It is reliably reported at Ottawa that the Drew disclosures are having an important influence on the placing of additional business in Canada. One suggestion made is that as a result of the disclosures a demand will be made by Great Britain for some type of Imperial Munitions Board, similar to the one created in 1915 after the sorry failure of the original Shell Committee to handle the situation in a manner satisfactory to the British Government. The sequence of events at that time is told elsewhere in this issue.

Public Investigation Coming

Immediately on publication of the Drew story an official statement was released by the Department of National Defence by way of reply. This was followed by a counter statement from Col. Drew. Subsequently on his return to Ottawa, Hon. Ian Mackenzie announced that a public investigation "at or before the next session of Parliament" would be held. This statement followed a meeting of Cabinet council during which the question was thoroughly discussed.

Newspapers which have commented on last week's official reply to the Drew charges have generally found it to be unsatisfactory. Typical is the view of the Quebec Chronicle-Telegraph, which does not believe the Department of National Defence is . . . . "naive enough to think for a moment that this will be enough to satisfy public opinion in the face of such a detailed indictment.

"Certainly it will not satisfy Quebecers who have learned with amazement that the rifle-making machinery of the former Ross rifle factory has been deliberately moved from this city and presented to the Toronto firm to execute a lucrative contract with."

In the meantime it has been learned that the John Inglis Co. Ltd., which holds the Bren gun contracts, still operates with four provisional directors on the board. It is understood that directorates have been offered to some well-known Canadians but that definite arrangements have not yet been completed. The matter is apparently being left entirely in the hands of Major Hahn, who held 107,964 shares of stock as at April 26, 1938. The John Inglis Co. obtained its charter on Nov. 23, 1936.

Col. Drew Statement

In a further statement made to The Financial Post, Col. Drew says:

"Instead of answering any of the questions asked in regard to the Bren gun contract, Hon. Ian Mackenzie raised several new points in his statement issued last Thursday which need immediate clarification.

"Mr. Mackenzie made the statement that the reason that tenders were not called for before letting this contract was because this course did not meet with the approval of the British Government. Even the most ardent advocate of Empire unity has never before suggested that Ottawa should take orders from Westminster as to how it will carry on its own business. That, however, is the only meaning which can be attributed to Mr. Mackenzie's words. We have not forgotten that when a British visitor to Canada a short time ago suggested that Canada should take some part in Empire defense Mr. Mackenzie branded him as a 'peregrinating Imperialist.' It would now seem that Mr. Mackenzie has become a 'submissive Imperialist.'

"Mr. Mackenzie also now discloses for the first time that Major Hahn's proposals for the production of these guns were first dealt with by the Interdepartmental Committee at Ottawa, and after being revised by them were forwarded to the British authorities. Under these circumstances it is no longer possible for Mr. Mackenzie to suggest either that the two contracts were negotiated separately or that the British Government was dealing solely with Major Hahn in considering the details of its contract with him. The information which Mr. Mackenzie now gives in this respect calls for several further explanations of the statements which he made in the House of Commons last spring.

Division of Stock

"No attempt whatever has been made to explain the division of the stock of the John Inglis Co. Ltd. or the rather remarkable fact that mere office employees of the legal firm of Plaxton and Company are the only disclosed directors or shareholders of Investment Reserves Limited and Anglo Engineering Company Limited, which apparently hold nearly half of the stock of the John Inglis Co. Ltd. Nor is there any explanation of the fact that four of the seven directors, of what has now become one of Canada's most important companies, are obviously only dummy directors.

"It has been suggested that there is nothing surprising in the latter fact and that this is a well-known practice in company organization. It is true that it is the usual procedure to have employees of the legal office, in which any company is organized, act in the capacity of provisional directors. But the John Inglis Co. is long past the organization stage. The company was organized in 1936. It signed an agree-

(Continued on page 2, col. 2)

Drew Charges Upset Ottawa

Series of Investigations Now Seen on Munitions Contracts

From Our Own Correspondent

OTTAWA.—With the echoes of Colonel George A. Drew's charges still reverberating in ministerial and opposition circles, Parliament Hill recognizes that Canadian munitions contracts have been plunged into the sea of Federal politics and that no rescue is in sight.

Instead, the prospect is for sustained controversy, punctuated by periodic investigations. The first enquiry is already definitely on the horizon. It will be at the coming session of Parliament by a special committee of the House of Commons.

The Inglis plant, around which Colonel Drews charges centre, will not be entering into production for some months yet, and the view of the Government is that it will be time enough to talk of a judicial enquiry when—or rather if—the parliamentary investigation uncovers any evidence to justify one.

Upon one point, however, there can be no doubt, namely, that the case presented by Colonel Drew against the Inglis Company contract has profoundly impressed the national Capital. The Government has felt that the Colonel's article must not go unnoticed and it has even gone the length of sponsoring counter-propaganda designed to make it the subject of public condemnation. Conservative circles, for their part, accept Colonel Drew's marshalling of facts in his Maclean's Magazine article as proof of the improvidence of the Inglis contract.

The counter-propaganda which the Government has sought to set in motion against Colonel Drew's agitation is to the following effect:

The Inglis contract was approved not only by the non-political Inter-Departmental Committee on Armament Contracts and by the Federal Cabinet, but also by the British Government. Hence the points which Colonel Drew raises are directed against the British authorities no less than against the Cana-

(Continued on page 2, col. 1)

Editors Insist Government Hold Enquiry — Defense Statement Called Unsatisfactory

Light thrown on the Bren gun contract by Col. George Drew in an article in the Sept. issue of Maclean's Magazine, has evoked editorial comment across Canada.

There is an increasing demand that the Government answer questions raised by Col. Drew.

Extracts from some of the editorials follow:

Journal Wants Answer

After summarizing the article in Maclean's Magazine the Ottawa Journal declares: "These allegations should not be broadcast over Canada without some prompt and satisfactory answer by the Government. Prime Minister King, if we know him at all, will want such an answer."

In a second editorial two days later, the Journal says: "Careful readers of Col. George Drew's magazine article attacking the Government's contract with the John Inglis Co. for Bren machine guns can hardly accept the reply of the National Defence Department as at all adequate.

"The gist of the Defence Department's statement (apart from holding that Col Drew mixed Canadian with British costs, which is not important) is that the Canadian Government entered into this contract in conjunction with the British Government, and that, consequently, it must be good.

"That is no answer. The Government of Great Britain can't be held responsible for a contract made here in Canada by the Canadian Government. If the British Government made a bad contract, the British House of Commons will deal with it. Any contract made in Canada by the Canadian Government must be justified on the merits of the contract itself and upon the Canadian Government's sole and absolute responsibility. Actually, the execution of this contract being here in Canada, the British Government, it is reasonable to suppose, must have been guided largely by the advice of the Canadian Government.

"That being the position, it must be assumed that a further, more complete and more detailed statement will be forthcoming from the Canadian Government. To leave the matter where it is, with most of Col. Drew's more important statements ignored, would be a bad beginning for Canada's rearmament."

Explanation Asked

Under the heading "Mr. Mackenzie should explain," The Globe and Mail says: "The controversy which Col. Drew has stirred up over the Bren gun 'mystery' cannot be allowed to drop where he left it over the week end. Properly it is a House of Commons affair, but seemingly no member in the House was able to see the suspicious features, which he has drawn to the public's attention, while the contracts were under debate.

"As the official reply to Col. Drew's original allegations suggests, it may be that there is some attempt to play politics for politics' sake."

". . . while Cabinet Ministers are exposed to many barking dogs and cannot be expected to answer all of them, this is by no means the size of the issue from a public view. Colonel Drew has made some specific charges of a serious character which have unquestionably created uneasiness. They are not to be disposed of simply by describing them as the 'mud-slinging campaign of ambitious politicians.'

"The Minister of Defence does not have to be reminded of the need for confidence in his Department at this time. He must realize, therefore, that it is his responsibility to dispel all suspicion. Without suggesting that he has anything to hide concerning the Bren contracts, the only way to do this is for Mr. Mackenzie to make a full and unqualified reply to Colonel Drew's last statement."

Immediate Answer Asked

"Questions raised in such detail, and with the authority of The MacLean Publishing Company behind them, deserve a full and immediate answer," declares The Winnipeg Tribune. "The Canadian public will hesitate to make premature judgment.

"Meanwhile, it will be noted, in all fairness, that, according to Col. Drew, practically an identical contract was signed by the company with the British Government, which

(Continued on page 8, col. 5)

Montreal's Aircraft Aims Awake Toronto Competition

From Our Own Correspondent

MONTREAL.—Back of the story of the British Aircraft Commission's plans to have aircraft built in this country is another story—the apparent aim of Montreal financial interests to dominate the Canadian airplane manufacturing industry.

Montrealers now control or are heavily interested in National Steel Car, Canadian Car and Foundry Co., Fleet Aircraft, Noorduyn Aircraft; Fairchild Aircraft. Canadian Vickers, Montreal Aircraft Industries, as well as a number of airplane engine and parts companies. The only manufacturing companies they are not closely associated with are de Havilland Aircraft; Boeing Aircraft of Canada and Ottawa Car Manufacturing Co.

This dominance of Montreal interests in the airplane industry will be even more pronounced if the plans of the British Commission go through along expected lines. As the go-between for the new central organization and the British Government, a Canadian committee is suggested: Morris Wilson, president of the Royal Bank of Canada; Sir Charles Gordon, president of the Bank of Montreal, and L. J. Belnap, president of Consolidated Paper and director of the Bank of Montreal; Arthur B. Purvis, president and managing director Canadian Industries, Ltd.

Montreal financial interests have never been happy over the way Toronto stepped in and cornered the highly lucrative mining business. Now that the aircraft industry is coming into its own, they are not losing any time in getting in on the ground floor. Toronto financiers have suddenly awakened to the situation and whether or not the opportunity has passed by they are making strong efforts to be represented in the new organization to handle the British Government contracts.

British Plans For Airplanes In Final Stage

Central Unit to Handle Government Contracts— All Companies to Share

TWO ASSEMBLY PLANTS

From Our Own Correspondent

MONTREAL. — British Government aircraft will be manufactured in Canada on much the same system as used in England — the "shadow plant" system. Official details of the scheme likely will be announced this week or early next by the British Commission which has been spending some time in this country consulting with manufacturers and working out details.

As already intimated, it is not the intention to have any of the Canadian companies manufacture and assemble the complete machine. All the resources of the industry will be drawn upon, making the effort to manufacture machines for the British Government a co-operative rather than an individual one.

The method by which the organization will be set up in Canada to control and provide for production has been agreed upon, but there remains to be settled the financial details and the participation of the individual operators in the new company.

Create Central Unit

The general contract for the British machines will be placed with the central organization which, in turn, will place contracts with the manufacturers.

The central company will build two assembling plants. One will be constructed at Malton, Ont., adjacent to the new plant of the National Steel Car and the other at St. Hubert, just outside of Montreal.

These plants will not manufacture, but will confine their activities to assembling the finished machine. Similarly the manufacturing companies will not make the complete plane for the British Government but will manufacture parts and ship them to the two assembling plants.

Feeders for Plants

The Malton plant will be fed with parts from the National Steel Car's plant at the same point; from the Fort William plant of Canadian Car & Foundry Co.; the Fleet Aircraft's plant at Fort Erie and the de Havilland plant near Toronto.

The St. Hubert unit will be fed with parts from the Canadian Car & Foundry Co.; Canadian Vickers; Ottawa Car Manufacturing; Noorduyn Aircraft, and Fairchild Aircraft.

The British Commission also has plans for the Pacific Coast. A third and separate unit will be established there, with the Boeing Aircraft of Canada being the principal source of supply.

Secondary Supply Group

These are the principal companies with which the new organization will deal. There are a host of other Canadian companies interested, directly and indirectly, in the manufacture of aircraft. They will benefit by the new plan, but their contact will come through the manufacturing companies.

In the secondary group of companies are such organizations as Canadian Wright; Canadian Pratt & Whitney Aircraft; Aero Engines of Canada; Macdonald Bros., Standard Machine Works and others.

Limit Type of Machine

Indications are that the British orders, for the time being, will be confined to training machines and bombers. It is understood British manufacturers are in a position to meet the demand for the first-line, fast fighting machines. With the placement of orders for training machines and bombers in this country, this would leave the British firms free to concentrate on fighting aircraft.

It is more than likely that the personnel for the new assembling

(Continued on page 2, col. 6)

Western Crop Estimates Up

Now Expected That It Will Run Close to 350 Million Bushels

From Our Own Correspondent

WINNIPEG.—Crop estimates in western Canada continue to vary widely, though the average has steadily increased in the last few weeks. Now that harvesting is well under way it is discovered that grasshopper, rust and drought damage have not proved as severe as some observers feared. Total harvest is expected to be somewhere between 325 and 350 millions, about the average of the last 10 years, double the scant yield of a year ago.

Although delays from rains have been frequent in many districts, fair progress has been made with harvesting and threshing.

Alberta Best

Alberta's prospects are now recognized as excellent, although there is still danger of frost damage to late crops in the north. Southern areas of Saskatchewan are doing better than anticipated with some yields of 8 and 10 bushels to the acre from fields which it was feared might not be worth cutting. Grasshopper damage has been extensive over fairly large areas and farmers have occasionally cut coarse grains green, to feed in the sheaf, in order to get ahead of the pests.

Manitoba has a better crop than was believed two weeks ago with a fair average for almost all districts.

As You Like Them, Gentlemen . . .
And In New Fall Patterns!

CUSTOM-MADE SHIRTS
From Fine Imported Shirtings

It's a specialty with the Men's Shop. Shirts styled and made to individual measurements by experts . . . the way you, and you alone, want them.

Shirts that proclaim the character and good taste of the wearer.

From $5.50 to $12.00
Separate collars to match any style 50c extra each.

Phone TR. 5111 or TR. 4111
FREE PARKING WHILE SHOPPING
MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Drew Charges Upset Ottawa

(Continued from page 1)

dian. And this is represented as being very bad business for Canada. For the British Government has hardly more than started to give the Dominion the armament orders which, in the normal course of events, will be placed here. All this business, the Government represents, will be prejudiced and even lost to the United States if the British authorities get the idea that munition contracts are to be made a political football in Canada.

Profit Motive

So far as the likelihood of scandal is concerned, the Ministry professes to be unconcerned. The fact that the Inglis contract was approved by three separate parties, namely, the Inter-departmental Committee on Armament Contracts, the Canadian Cabinet, and the British Cabinet, is cited as proof of its integrity. It is admitted that the arrangement is a profitable one for the Inglis Company. But the situation which the Government faced, it is pointed out—once it agreed with the British authorities upon the principle of the private production of armaments—was that of inducing private enterprise to enter a field in which it was not established. And to effect that end a profit motive had to be offered. The contention is that the profit is a reasonable one and that ample safeguards have been taken to prevent profiteering.

The attitude of the Conservatives upon Colonel Drew's disclosures is that they demonstrate the Inglis contract to have been improvident beyond any question. And this position will be taken next session of Parliament when a special committee of the House—which is expected to be set up at the instigation of Hon. Ian MacKenzie himself—will investigate the matter. The Tories are expected to pursue particularly the suggestion of Colonel Drew that certain members of Parliament were prominent among the influences which secured the Bren gun contract for the Inglis promoters.

There is no likelihood that the Conservatives will now be dissuaded from making the matter one of political controversy simply by the Government's attempt to make out that such a course might result in the loss of important armament business to Canada. On the contrary, the Conservatives are determined to see that no profiteering or irregularities of any kind are allowed.

CHANGE OF POSITION

Qualified Accountant, Age 31, Specialist in Income Taxes, desires position with a professional, financial, commercial, or industrial firm. Full particulars will be furnished on request. Replies will be treated as confidential. Box 12, The Financial Post, 481 University Ave., Toronto, 2.

Bishop's College School
LENNOXVILLE, QUE.
102nd Year

Boys accepted for Preparation and Middle Schools.
Michaelmas Term begins Wednesday, September 14th.

C. G. M. GRIER, M.A., Headmaster.

Next YEAR'S HOLIDAY

● This can be you a year from now. Impossible? Not at all—if you start saving for it now.

Saving money can be thrilling if you save for such a purpose, and a real holiday is well worth saving for.

To Help You SAVE

The Family Budget Book, published by The Royal Bank of Canada will help you to save. It contains sample budgets for your guidance, and a section for each month's accounts. Thousands of householders use this handy Budget Book each year. A copy is yours for the asking at your nearest branch.

By the way . . .

A home of your own; a new car; an education for your child—these also are objectives that will give new life to your savings programme, help you in your natural desire to get ahead in the world.

Don't worry if your savings are small. Saving regularly is the important thing.

You will find it's as easy to save as to spend—when you save for a *purpose*.

P.S.—*Don't forget . . . the one who gets the bargains is the one with ready cash.*

THE ROYAL BANK OF CANADA
OVER 600 BRANCHES IN ALL PARTS OF CANADA

The Nation's Business

(Continued from page 1)

made on the same improvident terms.

Prime Minister King should be the first to insist that this whole matter be thoroughly aired. A public accounts committee probe by the House of Commons such as has been suggested by the Minister of National Defence would be wholly inadequate for such a purpose. Newspapers from coast to coast give support to the demand that nothing short of a judicial enquiry will be satisfactory.

• • •

Quebec Finances Disappointing

FISCAL results of the Province of Quebec for the year ended June 30 last are not very encouraging. Despite improvements in business and peak revenues the province made a less favorable showing than in the previous year.

Surplus on ordinary account at $3 millions is about $900,000 lower than in the previous year. As revenues increased by over $7 millions this is a poor showing and indicates the Duplessis Government is not practising economy. Increases in expenditures were fairly general.

Even the reported surplus is deceiving for it is not a "real surplus." It takes no account of $16 millions of expenditures, including relief, which the Government calls "extraordinary." If these had been charged against revenue the deficit would have been $13.1 millions.

The accounts show the province is a long way from the desirable "pay-as-you-go" basis. Like other provincial governments it shows capital expenditures separately. Last year, these totalled $21 millions. The real deficit, therefore, after taking into consideration sinking fund payments, was $32 millions. In the previous year the real deficit was about $20 millions.

• • •

IT SHOULD be noted that road construction accounted for a large part of the outlay on capital account. Capital expenditures on highways and bridges totalled $14.7 millions and on colonization roads about $4 millions. The Government, of course, expects additional tourist traffic will repay it for this expenditure. It will, however, have to secure a greater value for its money in the future. Quebec roads this year have not been in good shape and as a result tourist traffic has suffered.

Taxpayers in Quebec were pleased when no tax increases were announced in the budget last spring, but fiscal results for 1937-38 should give them food for thought. If Quebec is unable to come within $32 millions of paying its way when revenues are at a peak level, what does the future hold?

It is difficult to see how the province can avoid an increase in taxation if it does not cut expenditures drastically. Otherwise it will only weaken its present sound fiscal position.

Drew Returns to Attack

(Continued from page 1)

ment with Stanley Nurse, the office manager of Cameron, Pointon & Merritt, to buy from him the assets of the old John Inglis Co. Ltd. on June 1, 1937. On March 31, 1938, this company was party to one of the most important contracts signed in Canada since the Great War. These directors are now making decisions involving the ultimate disposition of many millions of dollars.

"The strength of any company depends upon its directors. A company which is to be equipped at public expense for the manufacture of Bren machine guns, Enfield rifles, and other small arms for the Canadian land forces should be in the strongest possible hands. This company long ago passed the period when provisional directors could be justified. For five months it has been operating under a contract which calls for the payment to it of substantial sums of public money. The public has the right to know who will be disposing of that money.

"Mr. Mackenzie has made no attempt to explain why men with some practical knowledge of the manufacture of rifles were not consulted before deciding that Major Hahn was the only man in Canada with whom his department should deal. There must have been some reason for this decision.

"When Mr. Mackenzie talks of the saving of $1,300,000 effected as a result of the simultaneous contract with the British Government, he conveys the impression that this is in some way related to the fact that the contract was signed with Major Hahn. That, however, is not the case. No reason of any kind has been given to suggest that the saving might not have been a great deal more if the contract had been given to some established steel company whose employees were already skilled in handling steel, or if the original plan had been followed to manufacture these weapons in a Government arsenal.

"The public is entitled to accurate and complete information regarding every phase of the negotiation of this contract."

Department's Answer

The statement issued by the Department of Defence claimed that Col. Drew's article makes many statements which were not facts and by "misapplication of facts may cause readers to draw false conclusions. Col. Drew says the total cost of the guns is expected to be $8 millions. The actual estimate contained in the contracts is $6.5 millions."

The department says the maximum profit permitted by the Canadian contract is $267,000 "although Col. Drew repeatedly refers to the sum of $457,000 in this connection."

Col. Drew, the department says, applies the word "mysterious" to the contract. "The whole contract was presented to the House of Commons by the minister of June 29, and copies were furnished to the press. . . .Furthermore on Feb. 14 the minister agreed to table all departmental contracts in the House, personally suggesting to the House that all these contracts, or as many of them as may be considered necessary, should be referred to the public accounts committee."

The department points out that Major Hahn went to Great Britain seeking munitions contracts, that the British War Office decided that he was qualified to undertake in Canada the manufacture of Bren guns; that he was asked to submit definite proposals and to try to interest the Canadian Government. Major Hahn's proposals, it adds, were reviewed by the Department of National Defence, and by the inter-departmental committee on control of profits. They were modified and in that form submitted to the British Government. The contracts let by the two governments were identical.

The statement says that the contract is "exactly of the type" evolved by the British Government in pursuance of its policy of creating "shadow factories."

Col. Drew's Answer

Answering the department, Col. Drew says that "the figure of $8,000,000 used in my article in Maclean's Magazine was taken from a press release given out by Mr. Mackenzie's own department on May 5 last."

Replying to the charge that he sought to mislead the public by not making it clear that both British and Canadian contracts were referred to in the limitation of profit to $457,000, Col. Drew quotes his exact words. "There is a provision in the Canadian and English contracts which appears to limit the profit to 10% with an overall limitation of $457,000 for the 12,000 guns covered by the two contracts."

Col. Drew says he did not suggest that the contract was mysterious. "What is mysterious is how the contract came to be signed with a company which had no machinery to make machine guns."

The colonel insists that the minister owes a further explanation "when he now quotes in his own defense words used in the House that had no relation to the contract." The ministers speech, he says, offering to refer the contracts to the Public Accounts Committee, was made on Feb. 14. The Bren contract was not signed until six weeks later.

Referring to the statement that the British Government decided Major Hahn was qualified to make guns in Canada, Col. Drew asks: "Surely Mr. Mackenzie is not going to ask us to believe that the British Government was dealing with Major Hahn unless he already had the assurance of the use of Canadian Government arms machinery."

"Mr. Mackenzie estimates a saving to the Canadian Government of $1.3 million because joint contracts were signed in this way. Is there any evidence whatever that Canada would not have saved a great deal more if they had proceeded with their original plan to make these guns in a Government arsenal."

". . . The minister chooses to ignore all questions regarding the financial structure of the John Inglis Company and the two mysterious companies which own its stock. He also ignores all reference to the trafficking in this stock and the appointment of a stock broker to the confidential position of treasurer of the Inglis Company. The minister's responsibility did not end with the signing of the contract! It provides that Mr. Mackenzie has the right to inspect all company records. The contract also provides that Mr. Mackenzie must be satisfied before there is any sale of this stock. Is Mr. Mackenzie satisfied?

". . . Every statement I have made is correct and I challenge the Minister of National Defence to appoint a judicial or other non-political committee before which I may have the opportunity of fully substantiating everything I have said."

Trail Ore Receipts

Ore receipts at the Trail smelter of Consolidated Mining & Smelting Co. from Aug. 15 to 21, amounted to 13,265 tons of which 11,797 tons were from company's mines. This brought total ore receipts for the year to 399,262 tons.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Greater Vancouver Water District	Aug.	Royal Bank and Syndicate	4%	1939-63	$650,000	*	.....

*Offered at a price to yield 4 to 4¼% for 1945 to 1963 maturities.

CROWN LIFE
INSURANCE COMPANY
Established 1900
Home Office Toronto
Guarantee Today's Plans for your Children's Tomorrows

Aviation Plans Linked With Bren Control

Need for New Imperial Munitions Board Suggested

From Our Own Correspondent

OTTAWA. — Discussions have taken place between the British Air Mission and the Canadian Government as to formation of some modern counterpart to the Imperial Munitions Board of Great War days, The Financial Post understands.

These discussions take on added significance in view of the Bren gun contract disclosures which are still reverberating loudly through Parliament Hill.

It is suggested that the Bren situation, as disclosed by Col. George Drew last week, raises somewhat similar problems to those faced in the Great War when it was found necessary in 1915 to supersede the original Shell Committee with a new organization called the Imperial Munitions Board and which functioned from Dec., 1915 until March, 1919.

Tender System Difficulties

Because of the grave shortage of shells, D. A. Thomas (later Lord Rhondda) visited Canada in 1915 on behalf of the Ministry of Munitions and inspected numerous plants, including the Dominion Bridge works at Montreal, Dominion Steel plant at Sydney, factories at Quebec City and New Glasgow, Steel Company of Canada and Dominion Steel Foundries at Hamilton and several plants at Toronto. The industrialists and bankers met at Ottawa on Sept. 13, 1915, to consider the situation and difficulties immediately arose between Mr. Thomas and members of the Shell Committee on the matter of policy.

Mr. Thomas wanted the competitive tender system but the committee felt that Canadian manufacturers did not have sufficient knowledge of requirements to quote prices for shells. The Canadian industrialists also made it known they would prefer to have the existing committee fix prices for the various war supplies under which they would proceed to manufacture. A stalemate developed and W. L. Hichens was sent out from England by the wartime Prime Minister, Lloyd George, to reconstruct the Shell Committee, the new commissioner being accompanied by Hon. R. H. Brand.

The Imperial Munitions Board resulted in November, 1915, and Sir Joseph W. Flavelle, Bart., was appointed chairman.

The policy adopted was that prices of all shells of all natures and supplies were fixed by the board and the Canadian manufacturers were required to accept contracts under conditions of an exacting nature.

Orange Crush Net 25% Up this Year

Sales of Orange Crush Ltd. in the nine months ended July 31, 1938, were in excess of sales for the corresponding period a year ago, according to E. P. Taylor, president.

Net profits after all charges, including income tax provision, were more than sufficient to cover the full year's dividend requirements on the preference shares and were 25% in excess of profits for the same period a year ago. Dividend requirements on the preference are 70 cents a share annually and in the year ended Oct. 31, 1937, net profits were equivalent to $1.23 a share. Regular dividends are being paid.

Mr. Taylor adds that the company has no bank loans, as was the case at the end of last October, and that its working capital position is satisfactory.

August sales will exceed those for the same month last year and it is anticipated that substantial profits will be realized in the final quarter of the year ending Oct. 31, 1938.

Newsprint Sales Contract Altered

From Our Own Correspondent

MONTREAL.—Powell River Sales Co., selling subsidiary of Powell River Co., one of the largest newsprint manufacturers in British Columbia, announces a change in selling policy.

Five-year contracts are offered at price no higher than the New York price of the major Canadian mills.

Shipments by rail at the same cost to publishers as shipments by water are possible when the new contract provides for a new high price of $50 a ton delivered to Pacific coast ports, or the same rate as from eastern Canadian mills to New York and Chicago. On shipments to inland points, the basic price will apply with a difference for freight charges ranging up to as high as $50 a ton, depending upon the distance from the point of delivery. Hitherto Powell River has sold on an F.O.B. mill basis.

This new type of contract, which maintains the eastern price structure, is said to have resulted from new contract arrangements with Scripps-Howard. The latter has been buying from Scandinavia, but not liking the looks of the European situation has entered into a five-year contract with Powell River.

Other Pacific coast newsprint Mills are expecting to adopt the same type of contract.

Investors' Index

INDUSTRIALS AND UTILITIES

Bank of N. S.	16	Humberstone	10
B. C. Pulp	8	Imperial Tobac.	16
Bell Telephone	3	Indust. Accept.	4
Borden Co.	4	Int. Hydro	10
Bowater-Lloyds	8	Inter. Milling	13
Canada Dry	5	Inter. Utilities	5
Can. Breweries	2	Killarney Apts.	5
Can. Dredge	16	Lake of Woods	13
Can. For. Inves.	3	Lower St. Lawr.	10
Can. Marconi	3	Maple Leaf Mill.	13
Can. Nat. Rlys.	3	Massey-Harris	4, 10
Can. Pr. & Pap.	10	Massey-Harris	10
Claude Neon	4	Nat'l Steel Car	4
C'lingw'd Term.	5	Ogilvie Flour M.	13
Cons. M. & S.	2	Ont. Silknit	3
Crown-Zellerbach	4	Orange Crush	2
David et Frere	3	Oshawa Bldgs.	5
Dom. Coal	10	Power Corp.	4
Dom. Explosives	4	Remington Rand	4
Fairchild	10	Scott Paper	3
East. Steel Prod.	4	Southern Kraft	8
Fleury Bissell	4	St. Lawr. Flour	13
Ford Motor	1, 10	Trans-Can. Shs.	3
George Weston	10	U. S. Paperboard	8
Gt. West. Perm.	10	West. Can. Flour	13
Hiram Walker	10	West. St'l Prod.	16

MINES AND OILS

Adanac-Quebec	14	Lake Dufault	15
Afton	15	Lake Shore	15
Asso. Goldfields	15	Lardego	14
Barber-Larder	14	Manitou	15
Battery Gold	14	McFarlane L. L.	15
Big Missouri	15	McIntyre Porc.	15
Bobjo	15	Naybob	15
Bralorne	15	Noorduyn	14
Candn. Cadillac	14	Okalta	15
Caryl	15	Ontario Nickel	15
Central Duverny	15	Oriole	14
Chan Y'lowknife	14	Pasha	14
Coniaurum	15	Perron	14
Credo Porcupine	15	Planet	14
Crowshore	14	Porc. Goldor	14
Deep Lake	15	Poundmaker	14
Dome Mines	4	Reno	14
Do So Yellow.	14	Rolac	14
East Malartic	15	Sladen-Mal.	14
Empire	15	Star Lake	15
Empire Mercury	15	St. Anthony	15
Erie Gas	5	Sun Bear	15
Faulkenham L.	14	Sunray Oil	14
Gillies Lake	14	Surf Inlet	14
Gillies Lake	15	Thompson Cad.	14
Golden Gate	15	Upper Seine	15
Goodfish	15	Vulcan-Brown	15
Greenlee	15	Ward Lake	14
Inter. Mining	14, 15	Wells Long Lac	15
Kirk. Gateway	14	Wood Cadillac	14

QUOTATIONS

Bonds	5, 12	Industrials	12
Grain	13	Mines & Oils	12
Foreign Exchange	7		

Airplane Plans Are Now in Final Stage

(Continued from page 1)

plants will be drawn from England. There is a limited supply in this country of the highly skilled men required for this type of work. To take this type of worker from the Canadian companies would be of no advantage as they would only have to be replaced. Accordingly it is likely that all, or at least the key men, will be brought from England to man the new plants at Malton and St. Hubert.

The question of profits is one of considerable moment to the Canadian companies. It is to be expected that the Government will follow the same arrangement as entered into with the British manufacturers—cost plus a fixed profit. At the same time the subscribers to the capital stock of the new central organization naturally will expect a return on their investment. Whether or not a fixed return will be set on this capital remains to be seen.

At the time of writing the financial details of the central organization had not been settled. To be decided is the matter of new capital needed and the allotment of capital subscriptions to the manufacturing companies. Suggested capitalization is $1,250,000, of which about $1 million will be subscribed by the six participating firms.

British Control Likely

Another question of importance is the extent to which the British Government will be financially interested in the enterprise. It is recognized that the Canadian industry should not bear all the expense of setting up the new organization. The English Government probably will subscribe for a fairly large proportion of the capital, so as to minimize the risk for the Canadian companies in the event the plan is not successful; the need passes of having a supply of machines from this country, or that the industry becomes over-extended.

Though not expected to take a majority financial interest in the new company, the British Government will, in one way or another, have sufficient control so as to be in a position to apply a "brake" if necessary.

Details of the capital set-up and the allotment of stock to the manufacturing companies will be made known with the official announcement from the Commission.

Up to this time the proposal is to have each manufacturing company contribute a fixed share of the capital. For this each will have a representative on the board.

Executive Group Suggested

Whether the Government will have direct representation on the board remains to be seen. It is suggested that an executive group will be appointed to deal as between the company and the British Government. The names of Morris Wilson, president of the Royal Bank of Canada; Sir Charles Gordon, president of the Bank of Montreal; and Arthur B. Purvis, have been suggested. In addition a third member, and probably president or chairman of the new company, will be named. L. J. Belnap, president of Consolidated Paper Corp., has been mentioned for this post. Mr. Belnap has not denied the story.

The elaborate organization which is being built up to manufacture aircraft in this country for the British Government will necessarily depend upon a large volume of business for its success.

Basis of Operations

As far as can be learned any immediate arrangement entered into between the Government and the new company will be on a trial basis. Sufficient business will be forthcoming to enable the new set-up to maintain a high rate of operations for a period of from 3 to 5 years. During that time it should be possible to get the "shadow-plant" operations on a sound basis. If at the end of the trial period it has been proved that the system is effective, then the British Government will enter into an arrangement for a regular supply of aircraft from this country on a long-term basis.

Sinking Fund Operations

Holders of $24,000 of the 6% first mortgage bonds of Wood, Alexander & James have been notified by National Trust Co. that their bonds have been drawn for redemption on Oct. 11, 1938, at 103 and accrued interest. The bonds have been drawn by lot for sinking fund.

Friendly,
helpful banking service . . .
backed by the experience, resources, organization and reputation of 120 years of successful banking operation.

• A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE •

BANK OF MONTREAL
ESTABLISHED 1817
HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF $800,000,000

BEFORE YOU INSURE — CONSULT
CONFEDERATION LIFE
ASSOCIATION
HEAD OFFICE TORONTO

Can. Breweries Sales Decline

Earnings of Canadian Breweries Ltd. for the three months ended July 31, 1938, were down somewhat from the corresponding period a year ago. E. P. Taylor, president, states that the cool weather of the spring and early summer, together with reduced tourist expenditure, had an adverse effect on sales volume. Actually operating profits, before depreciation, are higher but heavier charges for this account reduced the final result.

For the first nine months of the year ending Oct. 31, 1938, it is calculated that the company has earned approximately $2.20 a share on its 163,428 shares of cumulative preference compared with $2.03 a share a year earlier for the similar period. Last year the Oct. 31 quarter gave net profits equivalent to $1.37 a share on the preference so that assuming the same rate for the current quarter, the company will have a fair margin over the $3 dividend requirements. Dividends are being paid at the annual rate of $2 a share and arrears were $5 a share at July 31.

Details of the income accounts for the three months and the 12 months ended July 31 follow:

Income Account
Three Months Ended July 31

	1938	1937
	$	$
Operating profit	448,853	414,841
Add: Other income	13,121	32,642
Gross earnings	461,973	447,483
Less: Depreciation	123,880	76,301
Interest	28,345	27,944
Net profit*	309,748	343,239
Earned per Share:		
Preference: Earned.	$1.89	$2.10
Paid	0.50	0.50

Income Account
12 Months Ended July 31

	1938	1937
	$	$
Operating profit	1,077,687	768,320
Add: Other income	52,259	70,235
Gross earnings	1,129,946	838,555
Less: Depreciation	446,673	313,734
Interest	98,831	104,260
Net profit*	584,441	418,561
Earned per Share:		
Preference: Earned.	$3.58	$2.56
Paid	2.00	1.625

*Subject to provision for minority interests and income taxes.

Working Capital

	July 31 1938	Apr. 30 1938
	$	$
Current assets	2,931,968	2,733,843
Current liabilities	1,574,623	1,581,906
Working capital	1,357,345	1,151,937

Mr. Taylor states that August business has shown some improvement and that results for the last quarter of the year will compare favorably with those for the corresponding period of last year.

More Consolidations

Plans for further consolidation of plants are announced. "As a further and final step in your company's plan to reduce surplus brewing capacity in Ontario and concentrate production in few plants, it has been decided to amalgamate the businesses of O'Keefe's Brewing Co. Ltd., Toronto, and Taylor and Bate Ltd., Hamilton, with production to be confined to the plant of the former."

This is the second such consolidation to be carried out by Canadian Breweries, according to Mr. Taylor, with satisfactory results. Two years ago six subsidiaries were consolidated into three. The Taylor and Bate plant is already the result of the consolidation of Taylor & Bate Ltd., St. Catharines, and Regal Brewing Co., Hamilton.

The American Outlook

INVESTMENT Letters, Inc., is an established weekly economic service analyzing and forecasting the American securities and trade outlook for a select list of American subscribers. Because of the important effect of price and business trends in the United States on world economic activity these reports should prove of distinct value to Canadian investors and industrialists. We invite such subscriptions, and without obligation to the inquirer shall be glad to forward our latest Letter, discussing the current American stock market and business outlook, so that some first-hand knowledge of the character and nature of our work can be placed before the inquirer.

INVESTMENT LETTERS, INC.
Directed by Charles J. Collins
701 Union Guardian Bldg., Detroit, Mich.

"Like the British Navy—Cool under Fire"

MACDONALD'S

"EXPORT"
First as usual!
-MOISTUREPROOF PAPER
YOU CAN'T BUY A BETTER CIGARETTE

London Calling

by Atticus II

Columnist Notes Change in Elisabeth Bergner —Would Like to do Something About English Inns

K. PICKTHORN

ELISABETH BERGNER

LONDON. — Politicians, to say nothing of statesmen, are not very thick on the ground in London at present. They have, as the phrase goes, dispersed.

The last I saw was Mr. A. P. Herbert. And he was not engaged in any public activity. He was buying a bottle of French vermouth in the riverside inn (the one with the skittle-alley) which he has made so justly famous.

* * *

Sixteen Years Ago

When I listen to Miss Elisabeth Bergner broadcasting in "St. Joan," I shall find a moment to congratulate myself on having been, as I believe, the first journalist to mention her in the English Press. I shall, however, remind myself that it was largely an accident. I was passing through Berlin in 1922 and happened to encounter some friends who insisted on taking me to see a play, of which they thought very highly, at the Deutsches Theatre, the smaller annexe to Reinhardt's Grosses Schauspielhaus. Of the play I remember little except that it was by Ludwig Fulda, that it dealt with an episode in the history of the Hellenistic world, and that I did not think very highly of it myself.

But I remember Miss Bergner exceedingly well. She was not then the appealing waif or the girl-boy whom we have come to know in England. She played the part of one of those courtesans who in the Hellenistic East at that time assumed the airs and enjoyed the prestige of great artists. There was a triumphant regality in her bearing which abashed the silly statesmen and soldiers who were the other characters. And my memory insists on telling me that the exiguous garments suitable to her part revealed her as having been painted bright red all over. But it may have been only a healthy tan, not so common a sight then as today.

* * *

Walther Rathenau

Now the Fräulein Bergner of 1922 is Miss Elisabeth Bergner and a wanderer from her own land. And I am moved to wonder what has become of my hosts of that night. If they are not wanderers too, they must, I fear, be enduring profound discomfort. One of them was a young man who apologetically explained to me that he wore his small, neat sidewhiskers only on the insistence of his parents, because they were supposed to emphasize his resemblance to his illustrious great-grandfather, Felix von Mendelssohn.

Those were days when all that has since happened in Germany might have been foreseen by the observer of sufficient acuteness. The inflation was, from the foreigners' point of view, just ripe—that is to say, one could buy ten marks for a penny and still get at least a pennyworth of goods for a mark.

My hosts were clearly and frankly uneasy about their own position in Germany. They told me that they were sometimes afraid of using their car (not an ostentatious affair—a pre-war Daimler of stolid rather than sprightly appearance) because the people they passed on the roads were apt to spit at it and to call out after them "Schieber" and "Verfluchte Juden!"

That night, too, I was introduced to Walther Rathenau, who two or three weeks later was shot down in his car in the outskirts of Berlin by two ex-officers. They shot him down as they drove past. If they had given him a few minutes to speak to them in his richly and benevolently pompous voice, they might never have pulled the triggers. That murder was, in my belief, the real beginning of violence as a political method in Germany.

* * *

Athletics and Politics

The sudden and premature death of Captain R. C. Bourne, apparently from heart failure, inevitably raises again the old question whether forms of athletics, such as rowing and running, which involve violent physical exertion, do not result in unjustifiable perils in later life. In four successive years Captain Bourne stroked victorious Oxford crews. Can those youthful triumphs be regarded as adequate compensation for the abrupt termination of a career which was of so much value in our political life?

Quite possibly Captain Bourne would have answered that they could. The two subjects in which he had that range of knowledge is granted only to a devoted mind were oarsmanship and the procedure of the House of Commons. But, as a matter of fact, I cannot find any convincing evidence that his early exploits may have shortened his life. We all know athletes who have suffered with their hearts. And we all know also athletes who have lived long without ever so much as hearing the word "aorta" pronounced in a consulting-room. And, again, a similar fate often overtakes men who have never exerted themselves physically at all.

* * *

The Academic Wit

Mr. Kenneth Pickthorn, the junior member for the University of Cambridge, who is going to Malaya as one of a Colonial Office commission to enquire into the system of higher education there, will find a personal interest in what he sees, since his father was a captain in the Merchant Service who sailed in those waters and was a friend of Joseph Conrad.

But after he had served as an infantry-officer, as an observer in the R.A.F. (he was shot down on the Salonika front) and in the War Office, he returned to take part, as lecturer, college dean, and later tutor, in the rehabilitation of Corpus Christi College. During the years following the war Corpus rose enormously in general esteem, for which Mr. Pickthorn, along with Mr. Will Spens, the present Master, must take an ample share of the credit. They also must take the responsibility for the fact that during the same time their political opponents in the university have come to regard Corpus as the last, but impregnable, stronghold of "black Toryism."

Mr. Pickthorn, I may add, has not lost the academic gift of being witty about other collegiate foundations. I have heard him ask mildly, on being informed that Mr. X had been elected to the vacant fellowship at Y College: "Did he take a pass degree? Or was it just favoritism?"

* * *

Our Country Inns

This is the season of the year for complaints about the English country inn, and I propose to make one of my own. No one knows better than I that there are very good country inns indeed—but there are also others. A little while ago when I was motoring for some days I had the same experience on three days out of four. Arriving at about a quarter to seven, after some hours on the road, at hotels of some size, I was informed that dinner would be served at seven. I did not want dinner at seven. I wanted a bath, a change and a cocktail before I thought of food. But the laws of what a friend of mine calls the Take-it-or-leave-it Hotel are immutable. One landlord said frankly, "We might serve it as late as eight but it will be cold by then."

The others were not so frank, but assumed a stony and unhelpful attitude which came to the same thing. One and all refused to cook anything, however simple, at a later hour. One did offer cold meat and salad, but the cold meat turned out to be a remarkably uninviting ham, and my despairing request for tongue instead was met by the answer that there was no tongue—which seems to me to be ridiculous.

Now these, and other things like them, are real annoyances to motorists, and what I want to know is what the motoring associations are doing about them. So far as I have been able to see, the "recommendation" which is placarded outside the hotel guarantees clean, dry sheets (in my experience it always does that), but very little more. It is a valuable thing to be able to be sure of this, and in the days when people were first taking to the road for their holidays it was very valuable indeed. But surely now it would be practicable to apply a higher standard.

The Automobile Association's list of recommended hotels has grown so large that now it requires a volume to itself. No harm would be done if it were reduced again by the ruthless elimination of the Take-it-or-leave-it Hotel. This is, after all, a bad exception to the general rule, but it is an exception of which we ought to be rid.

Copyright, 1938, The Financial Post and The Sunday Times, London.

Can. Marconi Widens Service

Arranging for Radio Telephone Service Between Canada and Nfld.

From Our Own Correspondent

MONTREAL.—Canadian Marconi Co. is completing arrangements for the establishment of a radio telephone service between Newfoundland and Canada.

An agreement with the island's Government in this connection is now practically ready for execution. This agreement gives the company the right to provide a radio telephone service that will put Newfoundland in the route of all parts of the world provided with radio service.

The St. John's terminal will be operated by the Avalon Telephone Co. under agreement with Canadian Marconi Co. The circuit will hook up with the local telephones.

Agreement With Bell

On the Canadian side, the Marconi Co. has an agreement with the Bell Telephone Co. for land servicing the Dominion and also the United States.

It is anticipated that the equipment will be installed and ready for testing by the end of October and open for public service three weeks later. In the meantime the equipment will be subjected to an exhaustive commercial test.

C.N.R. Revenue Starts Upward

July Operating Loss Lowest for Any Month This Year

From Our Own Correspondent

MONTREAL.—Operating revenues of the Canadian National Railways for July were the best for any month since the beginning of the year. The improvement, of course, was largely seasonal; while the net revenue showed a deficit of less than $100,000, indications are the system will be operating in the black from now till the end of the year.

Operating revenues last month at $14.2 millions were off nearly $2.5 millions from the same month a year ago. This is partly offset by a decline of $1.4 million in operating expenses. The net revenue deficit for the month was $96,958, compared with a profit of $958,900 a year ago.

Cumulative returns to the end of July 31 show operating revenues of $96.9 millions, or $14.7 millions less than for the like period in 1937. Owing to rising labor costs, it is only possible to reduce operating expenses by $1.3 million, with the result that there is a net revenue deficit for the seven months of $5,776,941, as against a profit of $7,626,848 last year.

Comparative figures for July and the seven months ended July for 1938 and 1937 follow:

Month of July	1938 $	1937 $
Oper. revenues	14,176,717	16,662,985
Oper. expenses	14,273,675	15,704,085
Net revenue	*96,958	958,900
Aggregate to July 31		
Oper. revenues	96,936,276	111,659,299
Oper. expenses	102,713,217	104,032,451
Net revenue	*5,776,941	7,626,848

*Deficit.

More Bell Stock

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada notified the Montreal Stock Exchange that one additional share of its capital stock has been issued in connection with the company's stock plan. A total of 798,009 shares has now been issued.

Power Output Shows Increase

Gain Over June But Under Returns for July Last Year

From Our Own Correspondent

MONTREAL.—Central electric station report an output in July of 1,887 million kw.h. This contrasts with 2,188 millions for the same month a year ago, a decline of 9%.

Not all of the economic areas shared in the lower production. The Prairie Provinces and British Columbia reported an increase as compared with last year. However, the decline in Quebec and Ontario was more than sufficient to offset the gain in the other sections.

Show New Trend

Particulars of the output for July and the seven months ended July, with comparative figures for 1937, follow:

Production of Energy
(Thousands of Kilowatt Hours)

	July 1938	July 1937
Maritimes	71,313	76,892
Quebec	1,029,962	1,089,653
Ontario	579,560	725,288
Prairies	145,948	144,834
B. C.	160,971	151,388
Total	1,987,754	2,188,055
7 Months Ended July	1938	1937
Maritimes	488,633	543,544
Quebec	7,707,952	8,365,358
Ontario	4,236,408	4,919,829
Prairies	1,160,171	1,162,148
B. C.	1,109,629	953,308
Total	14,702,793	15,944,187

Firm Power Needs Lower

Consumption of firm power, including losses, amounted to 1,468 million kw.h. This represents an increase over the previous month, but was 42 million kw.h., or 2.8% less than in July a year ago.

While both the prairies and British Columbia were able to report higher incomes in July, gross profit is the only section reporting a cumulative increase for 1938 as compared with 1937. The returns follow:

Consumption of Energy
(Thousands of Kilowatt Hours)

	July 1938	July 1937
Maritimes	70,197	75,900
Quebec	795,707	919,838
Ontario	655,699	732,140
Prairies	147,383	146,322
B. C.	159,420	149,799
Total	1,828,406	2,023,999
7 Months Ended July	1938	1937
Maritimes	479,480	534,488
Quebec	6,027,162	6,945,826
Ontario	4,893,945	5,225,353
Prairies	1,170,378	1,172,649
B. C.	1,098,702	942,209
Total	13,669,667	14,850,525

Boilers Use Less

The main reason for the decline in production and consumption this year has been due to the fact of the slackening of operations in the newsprint industry. Deliveries of secondary power to electric boilers in July amounted to 360 million kw.h., as against 356 million kw.h. for June and with 513 million kw.h. in July last year.

Exports to the United States increased from 158 million kw.h. in June to 159 million kw.h. in July, but were 2.9% below July, 1937, exports.

Trans-Canada Shares Get British Distribution

Trans-Canada Shares, Vancouver investment trust, is reported to have made arrangements whereby its shares will be offered and sponsored in Great Britain. It is said that the arrangement completed by A. W. Black, managing director of Trans-Canada Investments Limited, assures that a substantial amount of British money will be directed toward the Canadian investment trust concerned.

Transfer Agent and Registrar

Experienced, Obliging Services

Enquiries Invited

▼

Crown Trust Company

Executors :: Trustees :: Financial Agents

WILLIAM I. GEAR, President
JOHN JENKINS, Vice-President IRVING P. REXFORD, Gen. Mgr.

393 ST. JAMES STREET WEST - - MONTREAL
80 KING STREET WEST - - - - TORONTO

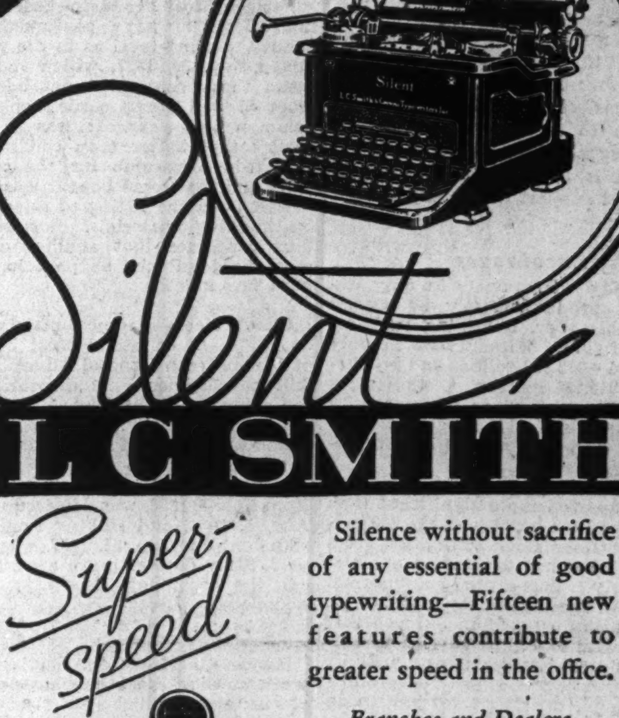
Loblaw Groceterias Sales, Profits Up

Both sales and profits of Loblaw Groceterias Co. showed a slightly greater rate of increase in the latest four-week period. Sales of $1.6 million were up $151,263 for the period and for the first two periods of the current year, the increase has been $336,078.

Profits are gaining at a much slower rate, being up only $567, or 1.14% for the latest period and $1,052 or 0.98% for the eight weeks.

Sales and Profits

4 Weeks Ended July 23:	1938 $	1937 $	Incr. %
Sales	1,642,062	1,490,799	10.15
Profits	50,070	49,503	1.14
8 Weeks Ended July 23:			
Sales	3,333,857	2,997,779	11.21
Profits	108,367	107,315	0.98



Silent

L C SMITH

Super-speed with

Silence without sacrifice of any essential of good typewriting—Fifteen new features contribute to greater speed in the office.

Branches and Dealers throughout Canada

L C SMITH & CORONA TYPEWRITERS of Canada Limited, 37 Front St. E., Toronto

September Dividends Rise But 9 Months' Total Down

Dividends scheduled to be paid by Canadian companies in September are estimated by The Financial Post at $19.8 millions, a gain of over $600,000 from the figure for the corresponding month of 1937.

Although this is the second consecutive month to show a gain over last year's record breaking total, the losses experienced in June and July, months of heavy payments, have not been overcome. For the first nine months of 1938, estimated payments will aggregate $202.3 millions, a decrease of about $1.4 million from the same period of 1937.

Contributing to the better showing made in September are extras by Agnew Surpass, Asbestos Corp. and David et Frere.

Arrears are being reduced by Langley's, MacKinnon Steel and United Fuel with payments of $2.50, $1.75 and $1 a share on their respective preferred stocks.

Four companies are making initial payments this month. Canada & Dominion Sugar has inaugurated dividends on its new common with 12½ cents a share. Four Star Petroleum is paying three cents a share and Paymaster Consolidated Mines one cent a share. Gatineau Power is the other company to begin dividends with 20 cents a share on its common.

Corrugated Paper Box is the lone company to defer a dividend ordinarily due in September.

Particulars of the various payments scheduled for September follow.

Summary of September Payments

	1938 $	1937 $
Dividends	19,844,761	19,226,197
Bond interest	13,621,000	13,567,000
Total	33,465,761	32,793,197

Company:	Rate	Date	Amount $
Agnew Surpass, c.	.30s	1	23,857
Do., bonus	.20	1	15,904
Aluminium, pfd.	1.50q	1	118,494
Anglo-Can. Tel., A	.15	1	73,065
Asbestos Corp.	.50q	30	74,650
Do., bonus	.50	30	74,650
Assoc. Breweries, c.	.20q	30	44,920
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Bank Can. Nationale	2q	1	140,000
Bright, T. G.	†.07½	15	7,500
Do., pref.	1.50q	15	11,716
Canada Cement, pf.	1	20	200,869
Can. & Dom. Sugar, n.	*.12½	1	187,500
Canada Malting	.37½q	15	74,614
Canada Vinegars	.30q	1	27,600
Can. Wire & C. pf.	1.62½q	15	46,914
Can. Ingersoll Rand	1.50	6	142,800
Can. Int. Inv. Tr., p.	1.25q	1	20,812
Capital W. Cloth, p.	.38q	1	3,800
Confederation Life	1q	30	10,000
Coniaurum Mines	.05	16	136,522
David & Frere, A	.15	30	3,450
Do., bonus	.10	30	2,300
Distillers-Seag., com.	.50	15	871,322
Dom. & Ang. Inv., pfd.	1.25q	1	16,875
Dom. Foundries, p.	1.50q	1	18,000
Dom.-Scot. Inv., p.	.50	1	24,568
Electrolux	.40q	15	495,000
English Elec., "A"	.62½q	15	28,125
Falconbridge N.	.07½q	29	250,313
Firestone Pete.	.02	3	25,000
Four Star Pete.	*.03	2	30,000
Ford Motor, A.B.	.25q	17	414,740
Foundation Pete.	.02	3	22,000
Gatineau Power, c	*.20	15	324,392
Hollinger Cons.	.05	9	246,000
Indust. Acceptance, A	.50q	30	30,274
Do., pref.	1.25q	30	18,750
Inter. Mining	.10	20	52,437
Inter. Nickel, c.	.50q	30	7,292,013
Imperial Tobacco, ord.	.10q	30	945,103
Do., pref.	3%s.	30	240,900
Langley's, pref.	‡2.50	22	14,142
Lake Shore M.	1q	15	2,000,000
Laura Secord	.75q	1	43,125
Lake of Woods, M. P.	1.75q	1	26,250
Lava Cap Gold	.03	30	73,072
Little L. Lac	.10	10	183,300
Loblaw's Grocet., A. B.	.25q	1	207,089
Louisiana Land	.10q	15	297,626
Macassa Mines	.50q	15	133,903
MacK. Steel, pf.	‡1.75q	15	8,312
McColl-Fron., c.	.10q	15	76,628
McKen. Red. L.	.03q	15	87,000
McIntyre Porc.	.50q	1	399,000
Montreal Cottons	.50q	15	15,000
Do., pref.	1.75q	15	52,500
Monarch Rylts.	.01	3	12,500
Montreal Loan	.50q	15	12,000
N. S. Light & Pr., p.	1.50q	1	30,000
Ogilvie Flour, p.	1.75q	1	35,000
Paton Mfg., pref.	1.75q	15	10,500
Paymaster Cons.	*.01	15	86,290
Photo Engravers	.50s.	1	15,000
Provincial Bank	1.50q	1	60,000
Prairie Rylts.	.05½	3	68,750
Regent Knitting, pf.	.40q	1	6,400
Rolland Paper, p.	1.50q	1	22,500
Royal Bank	2q	1	700,000
Sec. Can. Int. Inv., pf.	.10q	1	15,000
Siscoe Gold	.05q	15	232,003
Stuart, D. A. Oil, p.	.20q	1	9,000
Sylvanite Gold	.05q	30	164,975
Toronto Elevators, p.	.65½q	7	19,650
Union Gas	.20q	15	141,239
United Fuel, pf.	‡1	1	90,000
Walker-G. & W.	1q	15	724,004
Do., pref.	.25q	15	115,204
Total			19,844,761

q—Quarterly. s—Semi-annually.
* Initial. † Interim. ‡ Arrears.

Bond Interest Due in September

Municipal	$2,452,000
Provincial	4,871,000
Dominion	6,298,000
Total	13,621,000

Canadian Foreign Defers Dividend

Difficulty in Getting Foreign Exchange Prompts Action

From Our Own Correspondent

MONTREAL. — Canadian Foreign Investment Corp. has declared the regular quarterly dividend on the 8% preferred, but no action has been taken on the common, which was also due for consideration at this time.

Since the first quarter of 1935, the company has paid regularly 40 cents a share each quarter on the common stock.

The decision to defer the dividend at this time was influenced by the corporation's difficulty in securing sufficient dollar exchange to continue payment.

Canadian Foreign Investment controls the Brazilian Portland Cement Co. Dividends and interest from its holdings in this enterprise form its chief source of revenue. Last year net profit was $263,093, equal to $23.87 a share on the preferred stock, and $2.08 a share on the common. This represents an improvement over the 1936 returns, when $21.77 was earned on the preferred and $1.94 on the common.

Ontario Silknit Business Shows Fall Improvement

Ontario Silknit Ltd. sees some signs of improvement recently in its business. Orders for fall delivery are now being received and the usual seasonal upturn is now being felt.

The company's earnings have been declining in each of the past three years and a loss of $64,932 was reported for 1937 after payment of preference dividends. The company deferred the preference dividend payment due March 15, 1938, and there does not appear much likelihood of payments on this stock being resumed in the near future.

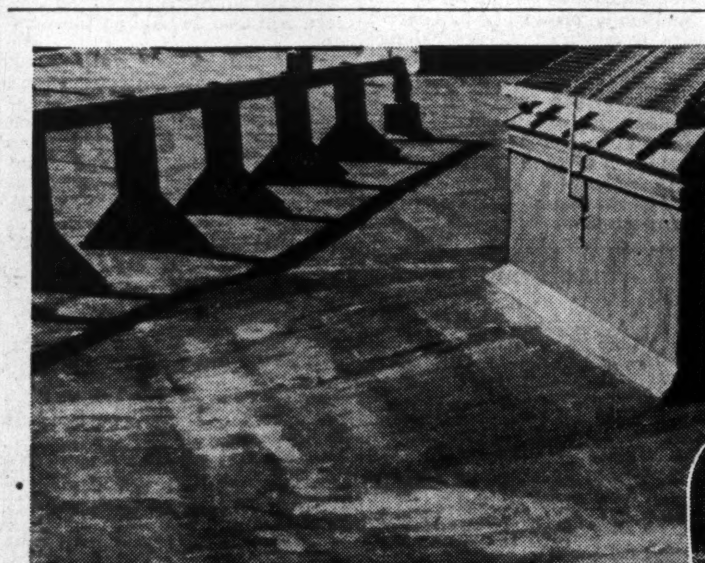
David et Frere Pays Bonus on Class A Stock

From Our Own Correspondent

MONTREAL.— — David et Frère Ltée., Montreal biscuit manufacturers, have declared a quarterly dividend of 15 cents a share, plus a bonus of 10 cents a share on the class A stock, both amounts payable on September 30 to shareholders of record Sept. 15.

The last previous payment was 25 cents a share on June 30, covering the half year ended on that date.

DUST SEPARATION
COVERING
ELIMINATION of grit and fly-ash from flue gases of boilers and furnaces, or
RECOVERY of dusts having a commercial value by the
"MICRO-LECTOR" PROCESS
(Van Tongeren World Patents) of the Buell Combustion Co. Ltd., London, England.
ENSURING
HIGHEST EFFICIENCY : LOWEST DRAFT LOSS
FREEDOM FROM MAINTENANCE
Manufactured in Canada by
NATIONAL STEEL CAR CORPORATION
LIMITED
Modern Builders of Railway Passenger and Freight Cars — Industrial Cars — Forgings.
Manufacturing Agents for LaPlant-Choate Mfg. Co. Inc., leading manufacturers of tractor equipment for earth and snow removal
HAMILTON, ONT. - MONTREAL, QUE.


The checked, alligatored surface of the roof on the great Dominion Square Building in Montreal — a menace to tenants and a constant source of upkeep expense and concern to the owners.

This Roof was costing money
NOW IT'S
TROUBLE-FREE
A new Murray Built-up Pitch and Gravel Roof was laid right over the wornout roof—thus saving time and eliminating the danger from sudden weather changes—it now gives absolute protection and is safe from roof upkeep expense for years to come.

● Go up onto your roof—take a qualified Murray engineer with you—find out exactly in what condition your roof is **NOW!** The signs are easily read by an expert. Perhaps yours is the type of roof that is prone to show checking and "alligatoring" (conditions which do not develop throughout the entire life of Murray Built-up Pitch and Gravel Roofs). These are sure indications that the protective oils are surrendering to the attacks of sun, heat and weather—that steps should be taken **NOW** to renew roof protection before leak damage and expense begin to mount. The Inspection by a Murray Roofing Engineer costs you nothing—and the definite knowledge of your roof's condition may save thousands of dollars within the next year. Write or telephone the nearest office today.

Alexander MURRAY & Company LIMITED

MONTREAL — TORONTO — HALIFAX — SAINT JOHN — WINNIPEG — VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited, Canada Creosoting Company Limited, Fibre Conduits, Canada, Limited.

Investment Trends

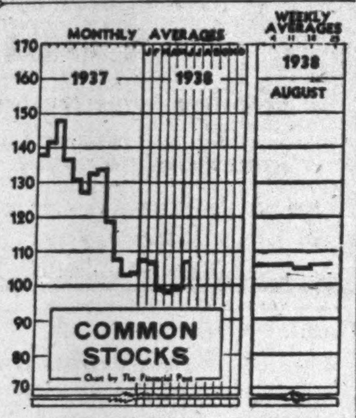
Stocks Still Susceptible European War Threats

Fear May Delay Any Upward Move While Uncertainty Continues For Both Business and Peace — Little Inducement to Invest Now

Once again investors have suffered from fears of war in Europe. Markets on Monday felt the force of a week end of gloom. With the clouds lifting somewhat, a stronger tone followed.

So long as European danger remains, a strong and continued upturn in prices cannot be expected.

Lack of discrimination in periods of widespread decline was again demonstrated. A war would have meant huge orders for many of the companies whose stocks were hit hard on Monday, but selection was ignored as fear of disaster grew.



Too Easily Disturbed?

Investors have allowed the recurring war scares to disturb them unduly, in the opinion of Candidus, writing in the Investors' Chronicle of London. This writer admits the reliance of Germany and her allies on the threat of war to obtain their ends, but questions the actual ability of these countries to carry out their threats if their bluff were to be called. Candidus surveys the powers which could be arrayed against any attack by Germany, Italy, or their allies and concludes that "a war of long duration, with these vast forces amassed against her, is, for Germany, unthinkable."

He also belittles the probability of a win by a surprise attack, pointing to the doubtful efficacy of air raids in bringing a determined population to submission.

"But if the Germans' show or threat of force is intended to frighten, it is the duty of our statesmen to remain calm and if necessary to call their bluff. We investors can help by sitting quietly on our stock," is his conclusion. And he apparently believes that the present mobilization of forces is intended merely to frighten, suggesting that if it were intended to usher in another European war the preparations for mobilization would not be so extensively advertised. The recent slump on the Berlin Bourse is another incident which does not support the theory of war.

* * *

Whisky Encourages

Whisky withdrawals in July exceeded production for the second time this year, according to latest U. S. figures. Withdrawals in July totalled 4,312,866 gallons and production 3,915,165 gallons. A similar relationship took place in June with withdrawals of 5,175,260 gallons compared with output of 4,714,537 gallons.

July figures are regarded in the trade as even more significant than those of June because of the 250 gallons of floor stock exemption from 25-cent Federal tax increase effective July 1. This caused an abnormal spurt in the shipments in June. No such factor existed in July so that the healthier relation between output and withdrawals may well be the beginning of a new and promising trend, according to opinion in the trade.

* * *

Trends of Confusion

Variable conditions are reported in the Canadian manufacturing field by the latest summary of the Bank of Montreal. The demand for durable goods has fallen off and some of the heavier industries have been short of orders. Textile mills have been operating well below capacity but present prospects are for greater activity with stronger prices.

Although the bank states that the newsprint industry has not emerged from its difficulty, it points to improvement. Demand for pulp has picked up with rising prices and at present Germany is a heavy buyer of pulpwood in New Brunswick. Expenditures of summer tourists, on which much of Canadian business depends to a large extent, is showing a decrease in both number of visitors and amount of money spent.

The bank sees some indication of a general increase in purchasing power, pointing to an increase in June dollar volume of consumer purchasing for 12 lines of retail goods of 5% over May and within 1% of June, 1937. This picture of mixed movements in business appears characteristic of investment conditions generally at present.

Themis Building Ltd. Pays 2% on September 1

From Our Own Correspondent

MONTREAL. — Themis Building will pay 2% on its first mortgage income bonds on Sept. 1. This contrasts with a payment of 2½% paid by the company on March 1 last.

Investment Notes

Industrial Acceptance—in reporting that the company experienced an increase of 12½% in volume of business for the first half of 1938 as compared with the same period of 1937, it was stated results were due largely to the increased number of dealer "commissions." The latter word was used inadvertently. It should have been "connections."

* * *

Eastern Steel Products—Sales are understood to have continued at about the same level as in the year ended Nov. 30, 1937, which should mean that profits will not be far from $1.40 a share earned on the common last year. It was stated earlier that better crop conditions would be favorable for the company and that some benefit was expected from the lifting of sales tax on building materials. Possibility thus continues that another common dividend may be paid in the next few months.

* * *

Claude Neon—Payment of interest on the 6½% collateral trust bonds of Claude Neon General Advertising will be considered by directors of the company about Sept. 1, according to the company. What course of action will be taken at that time has not been disclosed.

Interest payments on the bonds from Feb. 1, 1936, was deferred until Aug. 1, 1938, and sinking fund installment due Jan. 31, 1937, was not paid. Sixty days of grace are allowed the company to meet the situation.

* * *

Massey-Harris—"Common is in a weak position because of large prior claims; status will be largely determined by eventual recapitalization," is the way The Financial World, New York weekly, rates this stock. World wide distribution of products by the company is thought by The Financial World to mitigate the effects of geographical fluctuations in crop yields.

* * *

S.E.C. summary of security transactions and holdings by company officials for June includes the following of Canadian interest:

Dome Mines—J. H. Stovel, officer, increased holdings 100 shares to 300.

Howe Sound—E. B. Schley, director, increased holdings 1,400 shares to 21,676.

International Mining Corp.—W. B. Baggaley, officer, holds no shares directly but through Warwick Corp. decreased holdings 600 shares to 5,003; D. B. Douglas, director, decreased holdings 2,500 to 17,704; G. A. Easley, officer and director, gave away 833 shares, retaining 1,000.

International Nickel—Britton Osler, director, holds 10,000 shares directly. Through a holding company in which his proportionate interest is not shown he decreased holdings 1,732 to 11,000.

International Paper & Power—M. G. Chace, director, holds 2,200 common shares and 7,801 warrants and decreased holdings of $5 preferred by 200 shares to 1,600.

Hiram Walker, G. & W.—H. T. Hatch, officer and director, holds 25,043 shares directly and through a holding company in which his proportionate interest is not shown, decreased holdings 675 common shares to 27,835. L. M. McCarthy, director, decreased his holdings 200 shares to 1,100.

National Steel Sets New Mark

Record Profits in 1937-38 With Share Earnings $9.27—Strong Position

From Our Own Correspondent

MONTREAL.—National Steel Car's financial statement for the year ended June 30 revealed the expected record earnings. For the year the company showed a gross income of $1,692,408 and a net profit available for dividends of $1,205,396. The year before the company had total revenue of $384,543 and a net profit of $160,983. Earnings on the capital stock were equal to $9.27 a share, as against $1.24 the year before, on the 130,000 shares of common outstanding.

In his report to the shareholders, Robert J. Magor, president, cautioned about taking the returns too literally, pointing out that part of the profit shown resulted from the previous year's operations. He says a more accurate view of the results obtained would be afforded by averaging the combined profits of both years over the whole 24 months period, in which event the average earnings for the last two years would be $5.25 a share.

Record Surplus Forward

Particulars of the income and surplus account follow:

Income and Surplus Account
Years Ended June 30

	1938 $	1937 $
Operating profit	1,681,498	374,451
Other income	10,910	10,092
Total revenue	1,692,408	384,543
Less: Salaries, etc. ...	93,397	72,151
Depreciation	167,886	111,398
Income tax	225,727	40,000
Net profit	1,205,396	160,983
Less: Dividends	260,000	......
Surplus	945,396	160,983
Previous surplus	186,365	25,382
Surplus forward	1,131,761	186,365

Working Capital

	1938 $	1937 $
Current assets	3,615,873	2,389,608
Current liabilities	1,835,897	1,146,357
Working capital	1,779,976	1,243,251

Strong Balance Sheet

Reflecting the marked expansion in earnings, the balance sheet exhibits a strong position. Cash on hand is up from $28,275 to $805,820. In addition, the company shows as new items, call loans of $400,657 and investments of $444,336. Further the company spent $25,515 on the Hamilton works and $495,266 on the new airport at Malton. In connection with the latter, the balance sheet shows that all of the expenditure has not been made, provision being made for a further outlay of $250,000 which sum is already included in the accounts. During the year a bank loan of $200,000 was liquidated, while a maximum depreciation was written off and the tax reserve increased from $97,806 to $371,733.

Reports on Aircraft

A considerable part of the president's report is given over to the development of the aircraft division. In this connection Mr. Magor said in part:

"This new adjunct to your corporation's activities is now in operation on production (under a Canadian Government contract) of some 28 Westland Lysander Army cooperation planes for the Royal Canadian Air Force.

"When extensions and improvements were made in 1929 and 1930 your directors had in mind the possibility of going in for the production of aircraft, as it came directly within the limits of what is known as secondary industry. This is a classification in which your corporation specializes.

"In May 1936 your directors felt that with the air defense programme in the offing, your corporation's study of all phases of this question should be intensified. As a result your management acquired sufficient information and facts to be able to properly provide for the production of Canadian Government contracts referred to above. Many of the production operations carried on at our aircraft plant at Malton coincide closely with the departmental activities in your Hamilton car works.

"Your directors and management feel that not only will aircraft production not interfere in any way with our main production—railroad equipment—but rather, it will be of material assistance in lowering costs. It will also make it possible to retain during the depressed periods a larger number of our efficient personnel."

Montreal Curb Member

From Our Own Correspondent

MONTREAL. — A. B. Flett has been elected a member of the Montreal Curb Market. Mr. Flett, who resides in Winnipeg, has been a governor of the Winnipeg Stock Exchange for the past two years and is owner and manager of A. B. Flett & Co., a brokerage and grain business.

Market Opinions

Market opinions written prior to the latest war scare may not look so good in the light of the week's developments but they throw valuable light on the background of the stock market. This is necessary in estimating the resistance strength of present price levels.

Brookmire Bulletins, New York—"The restricted range of stock price movements has been particularly inconclusive. On the basis of normal experience, a corrective reaction of greater proportion than yet seen remains the more likely development; but business recovery is progressing well enough so that a reasonable background would be provided if the present market consolidation takes the place of reaction. In any event, the established longer-term uptrend justifies the maintenance of present invested positions, but current uncertainty makes it logical to postpone using new cash until the situation clarifies."

* * *

Barron's, The Trader, New York—"Again there is the low hanging cloud of possible trouble in Europe, a factor that tempers the enthusiasm over American business prospects. German pressure on Czechoslovakia has again become front-page news with more open talk concerning the gravity of the situation. There is no doubt that an aggressive move by the Nazis would prove unsettling to a market that shows so delicate a balance, some arbitragers going so far as to state that trouble overseas would cause an overnight drop of 10 points on the average in Wall Street. Until the European outlook is clarified speculation for the rise is certain to be tempered, although no significant selling from abroad has yet appeared, Amsterdam, in fact, being a substantial buyer at midweek."

* * *

The Annalist, New York—"The present trading area has now lasted for about four and a half weeks. In the past such periods have usually run a little longer, but there is ample precedent for a new upward move starting under present conditions. It is of interest that brokers' loans have not increased substantially since the upward movement set in. It is also true that figures on odd-lot purchases and sales do not indicate any important public buying of stocks. It may be assumed, therefore, that whoever it was that bought stocks in the second quarter of the year still has most of them. This theory is also confirmed by the behavior of the market during the past six weeks which does not suggest the passage of stock in large quantities from strong hands to weak."

* * *

Stock Exchange Gazette, London (Aug. 20)—"The trend on Wall Street has improved slightly this week, but there has been little expansion in activity, the sales volume remaining at very low levels. There seems to be a difference of opinion as to whether the reaction has yet run its course, some thinking that still lower prices may be seen before the upward tendency is resumed again. Most observers seem agreed that there is little prospect of a sharp change in trend or strong revival of interest until at least toward the middle of September; but while a majority of market opinion anticipates, a continuation of the present quiet conditions for the next week or so, it is also of the opinion that before the U. S. congressional elections take place in November, prices will be substantially higher."

* * *

The Investors' Chronicle, London (Aug. 20)—"But despite this exasperating state of affairs, the week has not been wholly unsatisfactory. Indeed, when Wall Street's gyrations and Hitler's manoeuvres are superimposed on the disturbing trade indicators, and the result, in share movements, is as small as it has been this week, it is clear that markets are banking heavily on American trade revival. Whether real American recovery is coming in a few months' time remains to be seen. The start has been encouraging and Wall Street has had a quite sharp corrective reaction without losing its morale.

"So, so far so good. We can now only wait and watch and, if we are wise, keep as much of our powder dry as we can manage. Most of us are convinced that we shall avoid real international trouble, and most of us feel that the odds are in favor of America staging a good recovery. But for the next week or so, caution seems to be the watchword."

* * *

Journal of Commerce, New York (Aug. 29)—"The failure of stock prices to keep pace with growing optimism about business prospects is attributable chiefly to scepticism concerning earnings prospects. The advance in security prices since June 20 has already outstripped by a considerable margin, on the average, the improvement in corporate earnings that can be expected to result from the increase in business activity that has occurred. In other words, stock prices now presuppose that a considerable improvement in corporate income from the levels of the first six months will occur. Hence, unless a protracted and more substantial upturn in profits, as well as in industrial activity, is to take place, the bidding up of stock quotations at this time is not justified."

* * *

The Economist, London (Aug. 20)—"The record of substantial falls in steel output, motor registrations, export trade, and production during the second quarter of the year, provides a depressing batch of news. Yet, if the market were convinced that this represented the sum total of its burden, and if the political risk rolled away overnight, current share prices would rally vigorously. But few serious investors are ready to subscribe, at the moment, to either hypothesis. The effects of American autumnal recovery—if it comes—on British home and overseas trade will be diluted and delayed. In particular, the export trades must continue to bear the brunt of an overvalued pound, without much hope of prompt relief from lower costs or increased trading outlets. For the moment, however, the market is concentrating on the shorter view. Thursday's dealings, after the blunt reply of the Sudeten German delegates to the Czech Government's proposals, showed that it is capable of maintaining its poise despite the shadow of politics, but that it lacks any sort of positive support. It is a position of uneasy equilibrium which might be radically disturbed at short notice."

Fleury-Bissell Business Is Up

Year End Changed to Oct. 31 and Stock Value Reduced

Shareholders of Fleury-Bissell Ltd. approved change in the end of the company's year from May 31 to Oct. 31 at a special meeting following the annual meeting on Aug. 26.

In addition a reduction in the capital by cancelling 100 preferred shares and decreasing the stated value of common shares by $31,887 was adopted. This was in the nature of an adjustment in the inventory of J. Fleury & Sons Limited at the time of acquisition. The 100 preferred shares had been issued to J. Fleury & Sons for inventories acquired and have been returned.

Commenting on current conditions, T. C. Wardley, managing director, said that business of the Fleury Division to the end of July was about 18% higher than last year. Bissell Division was holding about the same level as a year ago. At Elora, the company's plant is running at capacity. What is considered an important outlet in Quebec has been obtained for the company's ploughs. This is a new field for the company and its predecessors.

It is hoped to have inventories, which were too large at the end of May as a result of the merger of last December, reduced. Some progress has been made in this way already but it will probably be a considerable time yet before inventories are at what is considered normal amounts.

Directors were re-elected and reports adopted at the annual meeting.

Dominion Explosive Prod. Shares Under Option

H. R. Cory, by agreement dated August 22, 1938, has optioned 100,000 preferred shares of Dominion Explosive Products Ltd. at $8.50 a share. The option is exercisable 25,000 shares by Dec. 31, 1938, 25,000 shares by April 30, 1939, and Dec. 31, 1939.

The announcement by the Ontario Securities Commission states that Dominion Explosive Products was incorporated under Dominion laws in May, 1936, to manufacture explosives. Authorized capital is 200,000 6% preferred shares of $10 par and 100,000 no par value common shares. The company issued 20,000 preferred and 99,995 common shares to J. F. Lumsden and H. R. Cory for transfer of formulae.

Crown Zellerbach Corp. Net Profit Off This Year

From Our Own Correspondent

MONTREAL.—Crown Zellarbach Corp., one of the principal newsprint paper manufacturers on the United States West Coast and also operating in British Columbia through its subsidiary Pacific Mills, reports for the three months ended July 31 consolidated net profit of $970,065. This was equivalent to 13 cents a share on the common stock, as against 81 cents a share in the quarter ended July 31, 1937.

Borden Co. Earnings Are Well Maintained

The Borden Co. and subsidiaries report earnings of $2,823,674 for the six months ended June 30, 1938, against $2,883,085 for the corresponding period of 1937. The 1938 earnings are equivalent to 64 cents a share on the 4,396,704 common shares compared with 65 cents a share.

These figures, as submitted by T. G. Montague, president, to shareholders in a statement sent along with the interim dividend of 30 cents a share payable Sept. 1, are subject to adjustment and final audit.

Mr. Montague points out that out of each dollar received by the company since 1930, 96.78 cents went to farmers, employees and others, including taxes, leaving 3.22 cents for company profits.

Power Corp. Boost Profits

Earn 93 Cents a Share on Common — Investment Values Lower

From Our Own Correspondent

MONTREAL.—Power Corporation of Canada reports gross revenues of $1,747,333 for the fiscal year ended June 30 last, and net profit equal to 93 cents a share on the 446,330 common shares. This contrasts with a gross income of $1,654,491 and common stock earnings of 73 cents on 446,298 shares the year before.

The combined value of the company's investments at the end of last June was $25,881,918, against the book value of $26,930,393. Over 71% of these investments are in subsidiary and affiliated hydro-electric and utility companies. At the end of the previous year the market value of investments was $29,220,589, and the book value $26,885,253.

Show Larger Earnings

Comparative figures on the profit and loss account follow:

Income and Surplus Account
Years Ended June 30

	1938 $	1937 $
Gross earnings	1,747,333	1,654,491
Deduct: Expenses ...	245,230	231,084
Taxes	27,926	23,920
Net earnings	1,474,177	1,399,487
Less: Interest	458,289	471,949
Net profit	1,015,888	927,538
Less: Pref. divds.	600,000	600,000
Common divds.	267,792	223,144
Surplus for year	148,096	104,394
Add: Prev. surplus ...	*1,643,570	*1,541,402
Surplus forward	1,791,666	1,645,796

*Adjusted.

Portfolio Value Lower

The balance sheet as at June 30, shows very little change in the book value of assets. Investments showed an increase of about $45,000 of book value, while the market value, as already pointed out, declined around $3.2 millions.

During the past year the company reduced its outstanding 5% debentures from $1,485,200 to $1,328,700. There was no change in the issued amount of 4½% debentures.

In his report to the shareholders, A. J. Nesbitt, president, confined his remarks to activity of the subsidiary and affiliated companies. He says gross earnings increased over 3%, and net earnings slightly less than 1%. There was a slight decrease, less than 1%, in kilowatt hour output of the associated companies for the 1937-38 fiscal year.

Remington Rand Has Small Profit

Sales Down 23.8% in Quarter—Common Dividend Maintained

Remington Rand had net profits of $93,152 in the three months ended June 30, 1938, first quarter of the current year. This is after all charges, depreciation, interest, taxes and other items and is equivalent to 50 cents a share on the 184,931 shares of $4.50 preferred stock outstanding.

In the corresponding quarter a year ago the company earned $1.5 million, or 80 cents a share on its common stock. Domestic and foreign sales for the three months ended June 30, 1938, totalled $9.6 millions as compared with $12.6 millions in the same period of 1937, a decrease of 23.8%.

The company has declared a dividend of 20 cents a share on its common stock, payable Oct. 1, 1938, to shareholders of record Sept. 9. Last previous payment was for the same amount on July 1. Regular quarterly dividend of $1.25 a share on the preferred will also be paid on the same date.

As the time within which stock subscription rights, series B, C and D, may be exercised has been extended, the consolidation date on the outstanding scrip certificate and scrip certificates that may subsequently be issued have been extended from Dec. 30, 1939 to Dec. 30, 1940.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	22.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Weekly Figures, 1938:												
Aug. 4 ...	132.8	22.2	88.3	177.3	59.3	169.4	124.5	144.1	66.0	84.4	48.2	106.7
Aug. 11 ...	131.9	22.4	88.8	177.6	60.3	169.1	123.5	142.8	65.5	84.7	47.8	106.6
Aug. 18 ...	127.5	20.9	88.6	176.0	[illegible]	168.2	119.8	137.5	64.2	85.3	46.9	104.5
Aug. 25 ...	131.5	21.4	88.4	178.0	58.0	168.2	122.7	140.0	64.3	85.4	47.1	106.0

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 30	117.58	121.01	88.78	32.27
Aug. 29	117.04	120.18	87.07	32.35
Aug. 27	121.58	124.71	92.47	33.67
Aug. 26	122.37	124.50	92.68	33.33
Aug. 25	122.57	125.36	92.81	33.51
Aug. 24	123.01	125.93	92.59	33.80
Month ago ..	125.49	125.72	95.97	36.37
Year ago	162.13	122.69	107.34	49.33
High, 1938 ...	126.85	127.19	97.95	50.85
Low, 1938 ...	97.66	102.06	64.47	31.40

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Aug. 30	65.6	80.1	75.2	125.77
Aug. 29	65.7	78.6	74.3	126.44
Aug. 27	66.7	83.6	78.0	129.69
Aug. 26	66.7	84.0	78.2	129.02
Aug. 25	66.6	84.4	78.4	129.24
Aug. 24	67.4	85.0	79.2	128.65
Month ago ...	66.0	87.1	80.1	127.25
Year ago	79.6	108.2	98.7	111.64
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	59.1	61.1	60.5	103.06

McColl-Frontenac Oil Company Limited

4¼% First Mortgage and Collateral Trust Bonds

Due October 1st, 1949

McColl-Frontenac Oil Company Limited is engaged in the refining of crude oil and distributing in Canada of gasoline and oil products through the well-known "Red Indian" stations.

These Bonds are the senior security of the Company and its earnings in the financial year ended January 31st, 1938, after depreciation, amounted to $1,876,130. Annual interest requirements of this issue amounted to $507,250 per annum.

Price: 100 and interest, yielding 4¼%

Descriptive circular forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Newsprint Paper Exports Advance

Returns for July Show Seasonal Increase Over June—Under 1937

From Our Own Correspondent

MONTREAL. — Exports of newsprint paper from Canada during July showed an increase of 3.35% over shipments for the previous month but were down 22.36% from the corresponding month of 1937.

Total newsprint exports for July, according to the Dominion Bureau of Statistics, were valued at $8,723,502. This compares with $8,441,719 in June and $11,234,434 in July, 1937.

Exports for the first four months of the current fiscal year were valued at $34,280,481. This compares with $42,586,657 a year ago, a decline of 19.51%.

The United States, Australia and Great Britain were the leading buyers of newsprint, taking shipments valued at $6,509,455 as compared with $8,837,412 a year ago. Exports to Great Britain were valued at $635,333 against $706,500, while those to Australia amounted to $970,869, against $272,418.

Cash Offer Received For Inverness Apts.

The London and Western Trust Company advises holders of the 7% first mortgage bonds of Inverness Apartments, Windsor, that they have received a tentative verbal offer of $11,250 cash for the property. As there is a $22,500 bonds outstanding with interest unpaid from and including Jan. 12, 1931, this offer would net bond holders approximately 45% of the face value of the bond, after expenses and including funds on hand. Bond holders are asked to express their opinion as to whether or not this offer should be submitted to the court.

Gross revenue of Inverness Apartments was $2,931 in 1937 compared with $2,545 in 1936. After adjusting taxes and insurance to an annual basis, but not providing for bond interest, depreciation, management or lebal expense, net revenue for 1937 amounted to $1,280 an increase over 1936 of $945. Rents were raised last fall, but no further increase is expected this year.. During the year taxes of approximately $1,020 plus penalties owing at 1936 were paid in full as well as 1937 taxes of $549.

Notice to Holders of Debentures of Essex Border Utilities Commission

The Ontario Municipal Board, by Order dated June 15th, 1938, authorized, approved, ratified and confirmed a Plan for the adjustment, satisfaction and refunding of the debenture and other indebtedness of the Essex Border Utilities Commission.

The Canadian Bank of Commerce, Windsor, Ontario, Trustee under the said Plan, will accept for exchange pursuant to the said Plan, on and after September 1st, 1938, the debentures issued by the Essex Border Utilities Commission.

Debentures will be accepted for exchange only at the Windsor, Ontario, Branch of the Bank, accompanied by letters of transmittal in triplicate. Copies of the letters of transmittal can be obtained at the Windsor or Toronto Branches of The Canadian Bank of Commerce or at the office of the Fiscal Agent of the Windsor Utilities Commission, C. W. McDiarmid, Canada Building, Windsor, Ontario.

Delivery of the certificates, warrants, debentures and cash distributable under the said Plan will not be made prior to **September 20th, 1938.** Debenture holders are urged to forward their debentures, accompanied by letters of transmittal, to the Bank as soon as possible to facilitate exchange.

Windsor, Ontario, August 24th, 1938.

Windsor Utilities Commission

ROY R. HICKS,
Chairman.

J. CLARK KEITH,
General Manager

CHAMPION SAVINGS CERTIFICATES

have enabled hundreds of Canadians to create for themselves a Cash Estate —safely, soundly, systematically—out of their regular earnings.

Learn about this time-tested Plan of Saving by sending for our descriptive pamphlet C-1. There is no obligation.

Champion Savings Corporation

201 NOTRE DAME STREET WEST, MONTREAL
HALIFAX CHARLOTTETOWN MONTREAL REGINA SASKATOON
CALGARY LETHBRIDGE EDMONTON VANCOUVER VICTORIA

CREATING New WEALTH

• The ever-increasing world demand for oil compels attention to developments taking place in Alberta's Turner Valley.

In this development, Anglo-Canadian Oil Company is playing an important role, its group of 11 producing wells accounting for over 32% of the field's total daily potential of 52,564 barrels.

Deliveries of crude oil from the Company's group of wells in July set a new record of 172,565 barrels, bringing total production from these wells for the first seven months of the current year to 592,451 barrels.

Development of Turner Valley's resources is creating new wealth for Canada. The shares of Anglo-Canadian Oil Company offer an attractive opportunity for investors to participate in the continuing growth of this new major industry.

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, P.Q.
Branches in the principal cities of Canada

79A

"Commonsense Speculation"
By "THE TRADER"
In BOOK FORM

This notable series of articles, recently concluded in The Financial Post, is being published in book form. Attractively set up and bound, it will provide a permanent guide to profit for the investor and stock market operator.

"Commonsense Speculation" is now on the press. Orders are now being accepted and copies will be mailed from Toronto as soon as ready, about September 10.

The following subjects, among others, are covered:

Should the Investor Borrow on Stocks?
Understanding of Trend Key to Investment.
How to Judge Trend of Stock Market.
Spotting the Market's Bottom.
Bull Market Barometer Readings.
Some Guideposts for the Alert Investor.
"Better Than Average" Stocks.
How to Protect Market Profit.
What to do in a Bear Market.
The Three Stages in a Bear Market.
A New Pattern for Falling Markets.
How to Develop Profit from Investments.
How to Avoid Pitfalls in Market Trading.

$3.00 POSTPAID

THE FINANCIAL POST
481 UNIVERSITY AVENUE - TORONTO

Bond Markets

High Grade Bonds Hold Against War Influence

Price Declines Moderate But Buyers Show Little Interest — Wheat Crop Still Influences Westerns and Elevator Bonds

There is little evidence that prices of high-grade bonds are going to follow stocks in the spectacular reaction to the latest war rumblings from central Europe. Prices have been shaded slightly but nothing that should disturb investors so far.

The reaction has been more in the nature of a drying up of transactions. Few are willing to make purchases under present uncertain circumstances. It is true, however, that some bargain hunters have been around. The bond market has had some important underlying support recently in the guise of large investors who had signified their willingness to buy at levels somewhat below those prevailing. Probably the ability of the bond market to resist disturbances has convinced these men that not much decline from current levels can be expected.

The above only applies to best-grade bonds, both corporation and government. More speculative issues, as has been the case for many months, again showed their tendency to follow the stock market.

It is apparent, however, that high-grade bond markets would soon receive a test in the form of some substantial offerings, particularly by some of the Canadian provinces, if the European situation cleared.

Bondholders' Harvest

Considerably more encouraging than the average has been the performances of western provincial bonds and those of such concerns as the elevator companies. This, of course, reflects the hoped for benefits of the reasonably good wheat crop now being harvested. It is interesting that successive crop estimates this year have added to potential amounts and that grades have been excellent. This contrasts with last year's showing, where week by week the extent of the disaster to the prairie wheat crop was unfolded.

Alberta bonds have apparently been coming in for some attention and recorded gains in the past week. Saskatchewan issues also performed reasonably well. Among elevator company bonds, Federal Grain and Alberta Pacific were in fair demand. Incidentally, Alberta Pacific preferred was one of the few stocks to show gains on the Toronto Stock Exchange on Monday. As pointed out elsewhere in this issue, the reports of the elevator companies which will appear soon will likely show close to a record for poor earnings. But the market for bonds of this somewhat speculative class looks to the future, and a year from now substantial improvement should have been recorded.

• • •

Sterling and Bonds

Canadian investors often have an opportunity to profit from movements of exchange rates. This applies particularly to the relationship between the Canadian dollar, the United States dollar and the pound sterling. The practice prevalent for many years in Canada, although justifiably falling into disrepute since the latest depression, of issuing bonds which were payable optionally in any one of these three currencies often meant an extra return to bondholders.

But this advantage, an expensive one for the country at large, has been small in recent years. This year the drop in the pound has almost removed what was left. Sterling opened 1938 at around $5 to the pound. Now it has been below the old parity of $4.86 2/3, a decline of about 13 cents, or about 2½%. On $100 this means about $2.50, not a large sum perhaps but important in these days of extremely low interest rates.

• • •

Bond Index

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price	Yield	1938	Price	Yield
	$	%		$	%
Aug. 30	115.80	2.914	Aug. 31	114.31	3.213
Aug. 29	115.91	2.91	Aug. 30	114.26	3.219
Aug. 27	116.16	2.89	Aug. 28	114.26	3.220
Aug. 26	116.25	2.88	Aug. 26	114.69	3.207
Aug. 25	116.23	2.88	Aug. 25	114.36	3.210
Aug. 24	116.26	2.88	Aug. 24	114.27	3.221
Year's	117.21	2.783	Year's	116.81	3.026
Range	114.21	3.147	Range	111.60	3.505

Oshawa Bldgs. May Reorganize

Reduction in Interest on Bonds and Cancellation of Arrears Planned

Holders of the 6½% first mortgage bonds of Oshawa Buildings Ltd. have been notified of a meeting to be held at the office of the trustee, Chartered Trust and Executor Co., Toronto, on Sept. 26, 1938. The meeting is to consider a plan of reorganization providing:

1. Date of maturity of the bonds would be extended 10 years to July 1, 1953. Interest would be paid at 3% per annum, compared with the present 6½% rate, on payments due Jan. 1, 1939, and thereafter to and including July 1, 1943; payments due after July 1, 1943 will be at 4%. All arrears of interest owing as of July 1, 1938, would be cancelled.

2. In place of the present sinking fund requirements, until outstanding bonds have been reduced to $125,000, a sum equivalent to net profits of the company for the preceding year, before depreciation, would be set aside annually for sinking fund. After bonds have been reduced to $125,000, $2,000, plus one-half of the amount which net profits exceed $2,000 is to be paid to the trustees for purchase or redemption of bonds.

3. Capital stock of the company is to consist of 4,520 class A preferred shares and 2,260 common shares. One-half of the class A preferred will be issued to the holders of the $227,000 of first mortgage bonds and the other 2,260 shares to holders of the second mortgage on the company's property.

Bond Tenders

7 p.m., Aug. 30, St. Joseph-de-Grantham, P.Q.—$45,300, and $17,700, 4%, dated July 1, 1938, redeemable serially from July 1, 1939, to July 1, 1968. H. P. Precourt, sec.-treas.

12 a.m., Aug. 31, Canada Treasury Bills—$25,000,000, dated Sept. 1, 1938, payable Dec. 1, 1938.

12 a.m., Sept. 6, Township of Ancaster—$2,162, 4½%, 10 year installment debentures. E. E. Lyons, clerk and treasurer.

Sept. 7, Town of Trenton, Ont.—$120,000, 5%, 25-year school debentures, dated May 9, 1938. W. J. Potts, clerk and treas.

Bond Redemptions

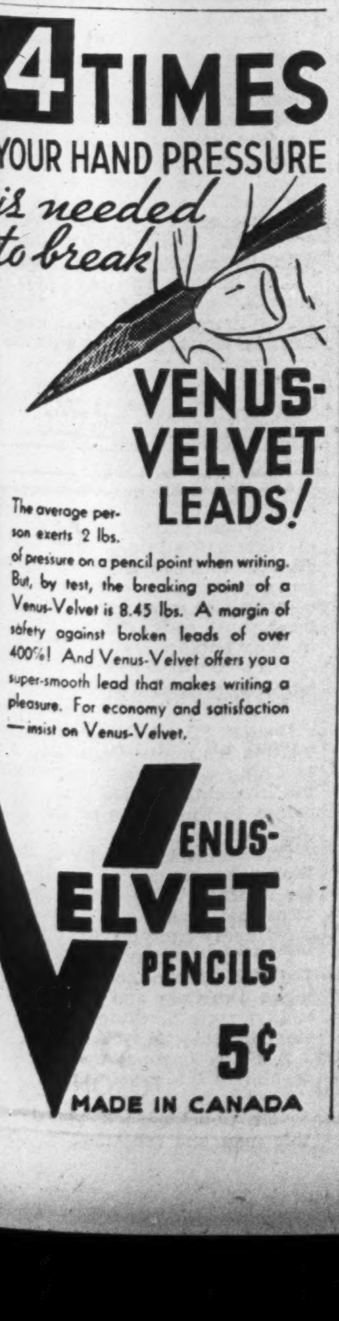
Bond Issues:	Rate	Year	Due	Price
B. A. Oil	*4%	1945	Sept. 1	101½
Ham. Cotton, A	5½%	1948	Sept. 19	103
Ottawa L. H., A .	5%	1957	Oct. 1	103
McColl-Fron., A .	6%	1949	Oct. 1	103
Prov. Paper, A .	†5½%	1952	Nov. 1	100½
Prov. L., H. & Pr.	‡5%	1946	Sept. 1	105
P. L. Robertson Mfg.	7%	1942	Oct. 15	105

For sinking fund purposes:
*$222,500. ‡$60,000. †$449,500.

We recommend
Periodic Examination of Securities
Our facilities are available for this important service.
HANSON BROS.
INCORPORATED
Established 1883
255 St. James St. W.
MONTREAL
OTTAWA TORONTO

ASBESTOS
Our 1936 memorandum on leading company in a basic Canadian industry has been revised to include new data. Copy on request.
Ask for Analysis P23
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE
135

FRED L. MYERS & SON
"The Sugar Wharf," Kingston, Jamaica, B. W. I.
HEADQUARTERS FOR JAMAICAN PRODUCE
Pimento, Annatto, Coffee, Cocoa, Divi Divi, Goatskins, Kola Nuts, Ginger, Orange Oil, Lime Oil, Pimento Leaf Oil, Lime Juice, Sarsaparilla, Honey, Wax and "Pickapeppa" Sauce.
Serving Importers Since 1879



4 TIMES YOUR HAND PRESSURE is needed to break VENUS-VELVET LEADS!
The average person exerts 2 lbs. of pressure on a pencil point when writing. But, by test, the breaking point of a Venus-Velvet is 8.45 lbs. A margin of safety against broken leads of over 400%! And Venus-Velvet offers you a super-smooth lead that makes writing a pleasure. For economy and satisfaction — insist on Venus-Velvet.
VENUS-VELVET PENCILS 5¢
MADE IN CANADA

Collingwood Firm May Lose Plant

Town Starts Foreclosure Against Elevator Company

A writ claiming foreclosure has been issued by Collingwood town council against Collingwood Terminals. An injunction has also been procured prohibiting the company, or Norris Grain Co., from removing over 300,000 bushels of grain from the elevator. The case is being heard in Toronto on Sept. 1, 1938.

It is understood that certain clauses in the agreement submitted by the company to the town for approval were unsatisfactory to council members. It is not stated which clauses of the agreement are proving unsatisfactory but company officials feel that there is still a possibility that further negotiations may iron out difficulties. In the event that this fails and litigation proceeds it may be prolonged and costly, with share and debenture holders bearing the brunt.

Collingwood Terminals defaulted on interest due to the town on the mortgage held by the latter last December. At that time principal of the mortgage, secured by the elevator property, amounted to $654,000, with installment due in 1937 in default. Negotiations were conducted between the town and the company and it was believed that an agreement had been reached in June. Representatives of both the town and Simcoe county were added to the board of directors, $15,000 was to be paid on interest arrears and six months' extension given on all payments. Late in June it was announced that final approval of the plan had been postponed to allow representatives to consider the plan further.

Collingwood Terminals has 13,345 preferred shares and 25,000 common shares outstanding. Control of the stock is held by G. P. Campbell, Toronto.

Inter. Utilities Profits Decline

Net Still More Than Sufficient to Cover Prior Preferred Needs

Consolidated report of International Utilities Corp. and subsidiaries for the six months ended June 30, 1938, shows net profits of $339,870 against $446,393 in the first half of 1937. Among the company's sources of revenue, electricity was the only one to show an increase.

The company has maintained regular dividend payments on both the $7 prior preferred and the $3.50 prior preferred.

Consolidated balance sheet as at June 30, 1938, shows net working capital of $3.2 millions compared with $2.7 millions at the end of 1937. Funded debt of subsidiaries was $24.2 millions at the end of June, down only slightly since the beginning of the year.

Consol. Income and Surplus Account
Six Months Ended June 30

	1938	1937
	$	$
Oper. revenues:		
Water	1,158,526	1,192,597
Electric	557,438	545,634
Natural gas	1,948,008	1,999,242
Ice	22,539	24,388
Hot water	21,801	21,556
	3,708,312	3,783,417
Other income:		
Net income of subs. sold	......	67,925
Int. & divds. rec. ...	216,795	168,256
Miscellaneous	5,445	10,952
Total income	3,930,552	4,030,550
Less oper. exps.:		
Operations	1,531,317	1,521,259
Maintenance	225,771	240,766
Other taxes	386,909	348,763
Prov. for bad debts	15,886	17,944
Net earnings	1,770,669	1,901,818
Less: Amort. & depr. .	368,184	365,546
Interest (subsids.) ..	624,684	617,644
Other interest	27,372	41,392
Debt disc. & exp. of subs.	30,855	34,731
Amort. of def. chgs. of sub.	18,580	16,482
Income tax	139,799	142,535
Pref. divds. of subs.	221,325	237,095
	339,870	446,393
Add: Non-recurr. inc.	......	11,833
	339,870	458,226
Less: Minority int. ...	19,411	46,222
Net profit	320,459	412,004
Less dividends paid:		
$7 prior preferred ..	20,466	36,693
$3.50 prior preferred	258,480	340,693
Surplus for period ...	41,513	34,618
Add: Prev. surplus ...	2,303,216	2,294,088
Misc. credits	......	3,541
Adj. of minor. int. .	3,190	929
Less: Taxes applic. to pr. yrs.	33,383	35,020
Elim. surplus subsids. sold	......	46,467
Misc. charges	4,228	2,574
Surplus forward	2,310,308	2,249,115
Earnings per Share:†		
$7 prior pref.: Earn.	$6.03	$8.04
Paid	3.50+1.75	3.50+4.00
$3.50 pr. pref.: Earn.	3.01	4.02
Paid	1.75+0.87½	1.75+2.00
$1.75 pref.: Earned	1.98	3.13
Class A: Earned ..	0.84	1.76
Class B: Earned ..	nil	nil

None paid on $1.75 preferred, class A or class B.

†Based on dividend requirements for the six months period; payments on arrears made during the period are not taken into account.

No. of Shares in Hands of Public:		
$7 Prior pref.	3,668	4,121
$3.50 Prior pref. ..	98,979.15	94,271.45
$1.75 Preferred ..	68,034.16	74,370.96
Class A	89,646	95,034
Class B	1,240,305	1,221,825.5

Cash Offer Received For Killarney Apartments

Killarney Apartments, Windsor, had gross revenue of $3,075 in 1937 compared with $2,839 in 1936. Expenses last year amounted to $2,799, against $2,671, leaving balance of $276 for 1937 and $168 for 1936. Progress has been made in liquidating tax arrears, according to the London and Western Trust Company, receiver and manager, and at the end of 1937 there is a balance owing of $500 on 1937 taxes, arrears for previous year having been paid in full during the year.

Rents were raised last year but no further increases are expected this year. If taxes and insurance are adjusted to an annual basis, but not providing for bond interest, depreciation, management or legal expense, net revenue for 1937 was $1,045, an increase over 1936 of $495.

Outstanding bonds amount to $22,500, in default of interest due Jan. 12, 1931. A tentative verbal offer of $11,250 in cash for the property has been received by the receiver. If this offer were accepted, bondholders would net approximately 45% of the principal value of their bonds, after deducting expenses. Bondholders are asked to advise the receiver if they are in favor of having this offer submitted to the court.

DEPUTY HEAD

Wilson E. McLean, K.C., has been appointed deputy superintendent of insurance and insurance counsel for Manitoba. Under the attorney general he will be responsible for all legal matters including legislation, as well as for the administration of those provisions of the act relating to the supervision and regulation of insurers and the business generally. He will continue to act as legislative counsel for the province.

Canada Dry Pays 25c on Common

A year-end dividend of 25 cents a share has been declared on the common stock of Canada Dry Ginger Ale, payable Sept. 19, 1938, to shareholders of record Sept. 8. This will be the first dividend by this company since 10 cents a share was paid on July 15, 1935.

Canada Dry has been making good progress in re-establishing its earnings on a stronger basis. At the time dividends were suspended it was stated that working capital was needed to care for the expansion programme and other changes which were planned. Since then the company has made radical changes in its manufacturing and distribution policies.

Latest change is the decision to license bottlers in various parts of the country to make and market Canada Dry products. This has followed development of a method of shipping the essential ingredients in powder form. Formerly it had been necessary to depend on the use of syrups.

For the nine months ended June 30, 1938, Canada Dry earned 54 cents a share on 615,157 common shares against 69 cents a share on 512,631 shares a year earlier.

Quebec is Out By $35 Millions

(Continued from page 1)

$201,411 in 1937-38, and $2.1 millions in 1936-37. Capital expenditures under the Unemployed Aid Act amounted to $1.3 million in the year ended June 30 last and $4.1 millions in the previous year.

Capital expenditures in 1937-38 totalled $21.9 millions. This compares with $10.1 millions in 1936-37. Thus, if total expenditures had been charged to revenue as is the practice of the Dominion Government, the deficit would have been in excess of $35 millions. On the same basis the deficit in 1936-37 was $23.5 millions.

The increase in capital expenditures is mainly accounted for by the larger outlay for highway construction. Capital expenditures on road construction, excluding mining and colonization roads, totalled $14.1 millions, compared with $5.7 millions in 1936-37. Expenditures on roads and bridges under the heading of aid to colonization totalled over $5 millions.

Debt Up $46 Millions

Funded and temporary debt, after deducting sinking funds, shows an increase of $46 millions to $234 millions. This large increase reflects not only the large deficit after providing for capital and special expenditures, but also mortgage loans made to farmers.

Provincial Finances
Ordinary Revenue
Years Ended June 30

	1938	1937
	$	$
Tax revenue:		
Motor vehicles	7,183,541	6,484,256
Gasoline tax	7,347,410	6,565,051
Succession duties	11,837,572	7,636,875
Corp. tax (capital) ...	4,939,697	5,148,231
Corp. tax (profits) ...	3,489,591	2,189,225
Security transfer tax .	477,393	916,564
Licenses	336,373	307,269
Other taxes	157,662	181,766
	35,669,240	29,429,237
Liquor permits	1,968,405	1,814,934
Liquor commission ..	*3,258,747	*2,804,258
Dominion subsidy	2,464,553	2,464,553
Interest	553,889	1,287,432
Natural resources	7,477,979	6,483,512
Fees	624,282	589,294
Fines	328,013	229,121
Misc. revenue	998,929	1,074,678
Total ordinary rev. ..	53,344,037	46,280,019

*After deducting $1,000,000 paid to Public Charities Fund.

Ordinary Expenditures

	1938	1937
	$	$
Debt charges	10,016,762	9,932,874
Legislation	675,859	1,112,977
Civil service	3,324,299	3,023,214
Justice	3,649,246	2,545,896
Chgs. on revenue	582,553	437,170
Provincial secretary ..	3,886,114	3,592,613
Education	4,060,381	3,104,904
Public works	1,988,920	1,707,502
Mines	258,471	277,802
Labor	3,528,195	2,351,821
Game & fisheries	717,963	821,243
Agriculture	4,726,850	3,527,230
Roads	6,501,576	5,315,355
Lands & forests	2,053,843	1,568,244
Colonization	2,922,023	2,166,258
Municipal affairs	309,653	431,070
Misc. services	122,049	137,050
Res. for bad debts ...	907,713	361,508
Total ordinary expend.	50,335,750	42,311,454

Extraordinary and Capital Expenditures

	1938	1937
	$	$
Unemployed Aid Act .	12,446,560	10,158,031
Colonization	1,578,269	634,483
Public Charities Fund	2,146,751	1,705,084
Youth Aid Act	22,796	......
Road grants	......	120,492
Capital expenditures:		
Relief works	1,370,890	4,187,415
Highways	14,164,625	5,766,135
Colonization	5,363,217	......
Bldgs., bridges, etc..	1,060,077	167,715
Total	38,114,905	27,477,680

Debt Position
As at June 30

	1938	1937
	$	$
Bonds outstanding .	257,576,099	195,170,199
Less: Sink. funds† .	37,878,410	34,292,192
Net funded debt ...	219,697,689	160,878,007
Temporary debt:		
Treasury bills	9,500,000	22,250,000
Judicial deposit ..	613,008	......
Trust deposits ...	4,348,568	5,084,348
Protestant Education Council ...	......	40,348
	234,159,265	188,222,703

†Includes deferred payments of $12.5 millions in 1938 and $12.7 millions in 1937 re debentures issued to Bank of Hochelaga, which was taken over by Banque Canadienne Nationale.

Millers Now Confident

(Continued from page 1)

an almost overnight demand and soon foreign millers were beginning to pay a premium. In the year just closed our No. 1 Hard cash wheat sometimes was worth 50 cents a bushel above competitive foreign grain and for the whole of the season averaged close to 30 cents. Again Canadian millers were hit. Because of geographical and tariff reasons their flour was composed of 90 to 100% Canadian wheat, while their rivals merely blended 10 to 15% high-priced Canadian with 85 to 95% cheap foreign grade.

Among its other advantages Canadian hard wheat as grown in the southern half of the Prairie Provinces has a high blending quality. A little of this mixed with a lot of poorer wheat vastly improves the total mix and actually puts results on a near competitive basis with flour made from 100% Canadian.

Now these premiums on Canadian hard wheat not only directly affected domestic millers in the export field last year but they also resulted in heavy inventory losses. The reason is not hard to find.

Can't Hedge Premiums

Milling companies can and do hedge ordinary wheat purchases. Wheat is too volatile a thing to buy and forget. By the time it is ground into flour it may be ten cents lower wiping out any possible profit made in the grinding. True, if the market swings the other way there would be a substantial inventory profit to add to that of processing. Open buying in this way, however, would make the milling industry nothing but a gambling proposition and bank and investment money behind the industry would not countenance it.

For years the banks have required the millers to hedge their purchases. When a bushel of cash grain is bought to grind a bushel of futures is sold with the buyer of the latter, not the miller, absorbing any market ups or downs.

This system protects millers and other non-speculative buyers of grain in normal times. It allows them to sleep peacefully at nights while their raw material is being turned into flour and gradually finding its way into consumers' hands throughout the world. There is no worry. If wheat takes a sudden tumble then the future will go down. But premiums, such as prevailed last winter, for the best grades of Canadian hard wheat, cannot be hedged. There was an abnormal spread between the price of cash wheat which the miller was using and the futures. The latter ranged from 25 to 50 cents lower, whereas normally they run a few cents above the cash price or sufficient at least to defray charges of grain on hand. Last season, instead of the millers realizing carrying charges for this grain, most of them faced continual and steady losses.

Now Are Hopeful

Fortunately, however, all of this 1937-38 headache is now history and the millers are glad that it is over. For the year just commenced they are much more hopeful. The wheat crop in western Canada promises to be about double the return of 1937 and so far Canadian millers have been able to buy this new wheat at the prevailing world price.

So long as this situation continues they are confident that they can begin to recover lost ground.

"This year we should be able to export a million more barrels or close to five million instead of the 3.6 million barrels of flour actually exported in the year ended July 31, 1938," one official told The Post. In addition to the much greater western crop, too, there is a substantial yield of winter wheat in Ontario, the surplus of which will be used to push sales of flour in the West Indies and Newfoundland.

Watch Board Sales Policy

Only two clouds appear on the horizon. Canadian millers are not absolutely certain that the Government Wheat Board will continue to offer them grain at world market prices. Neither are they certain that the present substantial tariff preference of Canadian grain and allied products of Great Britain is going to be continued. A change in either would be certain to cause some readjustment and might conceivably interfere with 1938-39 earning power. Of the two, a wheat selling policy is the most feared.

The Canadian Wheat Board is guaranteeing western farmers 80 cents per bushel basis No. 1 Northern delivered at Fort William. Present open market price is about 65 cents. This means that on every bushel bought and sold there is a direct loss to the Canadian taxpayer of at least 15 cents. Multiply that by the average crop estimate of 340 million bushels and you get a staggering sum. On the other hand, if the wheat is merely bought at 80 cents and not sold one cannot figure any loss and one will not be able to do so until the grain has been marketed. So long as unsold there will be a natural tendency to hope for the best, perhaps to hope that prices may eventually rise above the Government minimum.

Undoubtedly pressure will be brought to bear on the Government to go slow in its selling and especially so if prices indicate a tendency to become firmer. Naturally the millers fear any such development because it would again put them at a disadvantage with their foreign competitors who, of course, will be able to buy the bulk of their requirements in United States, the Argentine, Australia or elsewhere.

May Lose British Preference

There is less anxiety but more likelihood of the removal of the British preference. A new trade treaty between the United Kingdom and United States is nearing completion. It is rather generally expected that among other concessions Britain will grant easier terms, if not completely restore free entry to American flour, mill feeds and grain. Ever since Canada was granted preferential treatment on these products in 1932, there has been pressure from American interests to have the United Kingdom market reopened. The new pact may provide that opportunity.

If the British duty against American flour and grain, goes, undoubtedly one of the first results will be revised shipments of these products to the Old Land in competition with similar Canadian exports. Buffalo mills will resume their former important business of grinding a mixture of Canadian and American wheat for the British markets. For the last six years certain international milling concerns, at a considerable loss, have kept their brands before the English public in the hopes that a free market would again be restored. Indeed some of the flour for this purpose has been milled and shipped by Canadian mills on a custom basis.

Millfeed Situation

Removal of the British preference would also, of course, reopen the Old Country market to American mill feed. This would mean more competition for Canadians in this important field. The Canadian market for mill feeds could not possibly absorb all the by-products of Canadian flour mills. Indeed even during the below-normal-times of the last few years the bulk of this by-product has had to find a market outside the country. In recent years much has gone to Britain and occasionally to the eastern United States. Prices in the latter country today, however, due to heavy wheat crops this year and last are lower than in Canada and promise to continue so for some time.

Possibility of the reopening of the British market to United States, however, while disturbing, would not be any vital blow to the Canadian milling industry. After all it was able to compete successfully with American mills prior to the Ottawa agreement and can undoubtedly do so again.

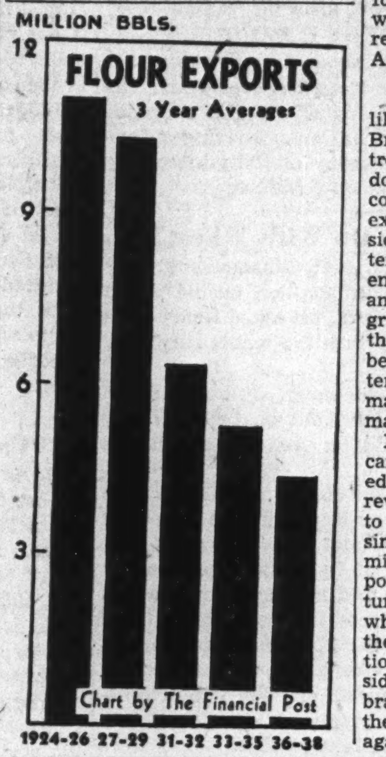


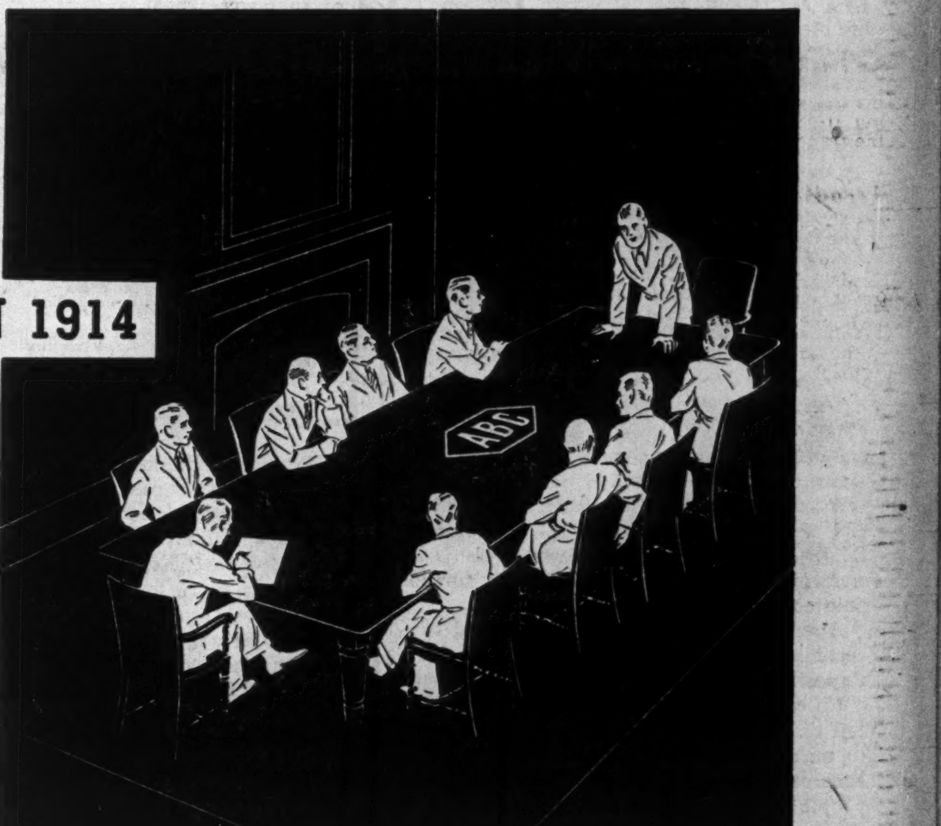
Chart by The Financial Post

Erie Gas Makes Assignment to Creditors

Erie Gas Ltd., Toronto, made an assignment on Aug. 17, 1938, and the first meeting of creditors was held on August 26. At the creditors meeting, F. O. Tidy was appointed receiver and it was decided to hold a shareholders meeting on September 2.

Indications are that some form of reorganization will be carried out for the company. It is probable that shareholders will be able to maintain some equity. The company's producing wells in Woodhouse Township, Ontario, have continued to produce and the gas is sold to Dominion Natural Gas Company. Last available information shows 433,771 no par value common shares outstanding.

CRAVEN "A" are so cool to the throat
Same Price as in England. 20 for 25c. ALSO IN TINS 50 for 60c.
C.A. 482
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN "A"
in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality.



How A MEETING IN 1914 helps you get your money's worth in advertising space TODAY

If you bought advertising space thirty years ago, you will remember how hard it was . . . how frequently impossible—to get information on circulation needed for effective space buying.

In 1914 a group of clear-headed men, tired of deploring the situation, resolved to do something about it. Their meeting resulted in the formation of one of the most remarkable examples of an industry's self-control—the Audit Bureau of Circulations.

Today, A.B.C. reports reveal and analyze NET PAID CIRCULATION—the true measure of advertising value.

A.B.C. reports answer the three vital circulation questions: how much is there? where is it? how was it secured? A.B.C. reports give verified information on the *quantity,* and an important index of the *quality* of circulation.

Before you buy space in any publication, study the A.B.C. report carefully. Know what you're getting. Then buy—and get what you pay for.

• • •

Ask for a copy of our latest A.B.C. report. It will give you quickly and completely the facts you want to know about the circulation of this paper.

THE FINANCIAL POST An A. B. C. Publication
Dominion Sq. Bldg. MONTREAL
481 University Ave. TORONTO

This paper has long been an A.B.C. member because we believe in selling known value. Canadian publishers helped establish the A.B.C. in 1914.

A.B.C. = Audit Bureau o. Circulations = FACTS as a yardstick of advertising value

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

The Financial Post Business Year Book and Market Survey, Yearly, $2.

The Financial Post Survey of Corporate Securities, Yearly, $2.

The Financial Post Survey of Mines, Yearly, $2.

Directory of Canadian Directors and Officials, $10.

The Financial Post Survey of Canadian Oils, Yearly, $1.

The Financial Post Corporation Service, $20 monthly. Special prices for individually selected investor's service.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2,
Founder and Chairman—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—
H. Victor Tyrrell

ADVERTISING RATES
Single insertion—$4.20 per inch.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, SEPTEMBER 3, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public obligations.

The Menace of War

WRITING in the British News Review recently the internationally famous correspondent "Augur" publishes details of what is known as the German "B" plan. This is a plan for immediate operation in the event of war. It gets its name from General Brauchitsch, its principal author.

Guiding principle of the plan is to protect German expansion toward the southeast. Because of the alliance of France with states in central Europe—especially Czechoslovakia—and other complications along the Polish corridor, the plan provides for Nazi domination over the whole of Czechoslovakia "in the moral and economic sense rather than the destruction of that country by a warlike act."

Augur's comment is significant in view of the critical news coming out of Europe this month. He says:

> "By its very principles the scheme is opposed to an immediate war but admits the usefulness of creating a state of panic in the mind of the potential enemy. What is the use of a strong army if it cannot be used as a diplomatic argument?
>
> "Alarming rumors circulating from time to time have their source in Berlin. There was a scare in May, August has brought another. By continually enervating a nation its sensibilities are reduced. Finally it accepts things it would never have tolerated earlier.
>
> "Germany knows how to wield the instrument of terroristic propaganda."

Such a statement does not exclude the possibility of conflict. It does emphasize that Germany at the present time prefers the menace of war rather than war itself.

Poor Publicity at Glasgow

MANY people have had nice things to say about the Canadian pavilion at the big Glasgow Empire Fair, but the British magazine "Architecture" is not very flattering. In a special Fair number it says:

> "Canada has a magnificent National Parks system about which an enthralling story might have been told. But the National Parks exhibit in the Canadian pavilion consists of a row of highly colored oil paintings in flashy gilt frames together with a few stuffed animals placed on a shelf below; probably the most inept piece of display in the whole exhibition.
>
> ". . . . . Basil Spence has designed for the Scottish Development Council a lively exhibit giving about Scotland the real territorial information that Canada fails to give, and at the same time, presenting an attractive modern display."

"Architecture" was very critical of many other exhibits. Its purpose was to stress the need for recognizing new forms and new styles in modern display.

A special article in this week's The Financial Post, contributed by H. L. Southall, Editor-in-Chief, Business Newspapers Division, MacLean Publishing Co., adds further pointed comment to the British view.

Almost similar criticisms were heard concerning the Canadian exhibit at the Paris Exposition last year.

No country has a more fascinating story to tell than Canada. No country should be able to make a better showing—especially at an Empire exhibition where we are among people of our own race and heritage.

When Hon. W. D. Euler, Minister of Trade and Commerce, visits the fair in the next few weeks he should investigate this criticism. If it is well founded he should have courage enough to change the display immediately for something which does justice to Canada's magnificent national parks system.

Canada's Chamber of Horrors

EDITORS of Fortune have done a feature story this month on "Canada—the Siren." It is a shrewd, reasonably well-balanced appraisal from the big businessman's point of view.

It devotes the first 6,000 words to outlining the facts on which "the growing legend of Canada as a businessman's paradise is lovingly erected." In the last 9,000 words it unveils our "Chamber of Horrors"; trots out the family skeletons and stares at them with critical and business-like eye.

The first horror to "appal" is the "staggering burden of the public debt."

Fortune adds it up to $638 per capita in contrast to a corresponding figure for United States of $430.

Canada, it notes, is an expensive country to run for three inescapable reasons: sheer distance, the character and smallness of our population, the unstable character of our trade. It does not expect our population to ever exceed 25 millions, with 18 millions a more plausible outside figure. It describes our "precarious dependence" on a few items of export trade as "the most nerve-racking item" in our cabinet of horrors.

Canada's greatest single problem it finds is the struggle between sections of the country. It traces the development of our "no man's land of legislation"—the area in which both Dominion and the provinces are apparently powerless. It suggests the ultimate result of the Rowell Commission should be an enlargement of Dominion Government powers "more consistent with the obligations of a modern state."

This means the country is likely to cost the businessman even more.

Summing it all up it suggests that Canada is a place where business "cannot reasonably entertain vast hopes" and cannot possibly afford to "rock the boat." That this country will prove a profitable source of investment to American companies in the future as in the past is not doubted. But it suggests that these enterprises will continue to be run largely by Canadians, because:

> "Most Americans would rather engage in almost any amount of social struggle than assume the caution and circumspection that are the lot of those who know they must always tread warily if they are to survive at all."

To which most Canadians will reply that they would rather tread cautiously and circumspectly almost any of the difficult pathways of Canadian business, striving meanwhile to eliminate many of the unnecessary handicaps under which we labor.

What'll We Do With Wheat?

A FEW years ago, when Canada was greatly worried by a 225 million bushel wheat surplus, The Financial Post asked Henry Ford what he would do with the wheat surplus if he had it.

He replied that he would set half a dozen chemists to work to find out what wheat really was; what it could be used for other than making flour.

Mr. Ford then saw clearly what other wise men are only now beginning to see; that Canada may ultimately have to solve the markets problem of its western prairies by research work to find new uses for a wheat crop that some years—this year, for instance—is bigger than the apparent market.

International Nickel Company has created new markets for nickel and made itself prosperous. Our pulp producers have found new markets for cellulose and lifted themselves out of the slough of depression. The same can be done with wheat.

Corn has set an example. Here are some of the industrial uses of corn, uses that are growing relatively more rapidly than the feeding of hogs and of other domestic animals, which is now the chief outlet for the corn crop of this continent:

Soap
Salad oils
Cooking oils
Yeast
Edible starch
Textiles
Paper
Laundry chemicals
Adhesives
Dusting powder
Explosives
Baking powder
Cough syrup
Wines
Vinegar
Soft drinks
Brewing
Calico printing
Foundry work
Colors
Fireworks
Confectionery
Table syrups
Corn sugar
Molasses
Canned food
Bread
Ice cream
Cake frosting
Chewing gum
Chewing tobacco
Twine
Jams and jellies
Leather
Rayon

The Financial Post does not know the chemical constituents or possible uses of wheat. It doubts if anyone else does. We have devoted many millions of dollars to wheat research. Most of it has been spent to tell us how to grow more and better wheat more cheaply.

It might be a good investment to devote some of the money to finding out how to sell the more and better wheat when we grow it.

Burning Up Jobs

BRUCE HUTCHINSON, of the Vancouver Daily Province, estimates that the disastrous Campbell River forest fire burned up potential jobs for 2,000 men for 25 years. About 50,000 man-years work.

Much of the 100,000 acres was reproducing young trees, which, when mature, would have provided 50,000 board feet of timber per acre or about 5 billion feet. The fire also burned up 1,000 acres of experimental tree planting put in by the forestry service at a cost of about $10,000.

Cutting a thousand feet of timber provides work for two men for a day in the woods and mills. This means about 10 million days work has been cancelled out by the fire. It would take 2,000 men in the logging camps and mills 25 years to turn this timber into boards if they worked 200 days a year.

The irony of this tragedy is that forestry officials have come to the conclusion that there is no further use planting trees wholesale unless British Columbia — one of the greatest natural forestry areas in the world —is prepared to cope with forest fires.

Default and Repudiation

THE editor of a small community weekly ran across an Aberhart supporter the other day. The Aberhartian objected to his idol being reprimanded for debt repudiation. He claimed the actions of the Alberta Premier were no different from the action taken by Britain over its U. S. war debt and to similar action by many industrial corporations and Ontario municipalities.

The reply which appeared in the West Toronto Weekly from the pen of A. B. Rice says the British war debt and the Ontario situation are no more like the Aberhart repudiation than chalk is like cheese.

> "Britain has never repudiated her war debt and no Ontario municipality has repudiated its bonds. There have been defaults but never a repudiation.
>
> "When unforeseen circumstances make it impossible for a debtor to pay he defaults and if he be honest—as I believe 90% of debtors to be—he regrets the default as much as the creditor does. The default is unavoidable and it is up to the two parties concerned to get together and try to arrange for deferred payments and possibly it may be in the interest of both parties for the creditor to make a voluntary reduction of interest or principal or of both.
>
> "But compulsory legislation such as Mr. Aberhart has attempted would be a death blow to the time-honored credit system which has always been the solid foundation of state, municipal and private enterprise, and social chaos would be the result."

Most of us take for granted the difference between unavoidable default by a debtor and repudiation of private or public debts by overriding state power. It is just as well to make sure the man in the street knows the difference.

Hydro's New Policy

IN WHAT officials characterize as a "fundamental change in attitude" the Hydro-Electric Power Commission of Ontario has created a "Sales Promotion Department." Hydro's policy of selling its power used to be to wait for the customer to express his desire to buy. In other words, let Hydro sell itself.

Now Morris J. McHenry has been appointed to head a new department, reporting directly to the commission. Hydro—as its officials say—is going to take the aggressive.

It is going after new power users. It is going to show present users where they can profitably use more electric power. It feels it is not enough to provide good service at reasonable cost, but realizes that the public does not know nearly as much as it should about the possible applications of hydro-electric power.

Hydro is a business enterprise, one of the largest in the country. Yet from its inception it has been lamentably weak on the selling end. Frequent reference to this has been made in the columns of The Financial Post.

Judged by the announced policy of the new sales promotion department, Hydro has finally recognized one of the most important principles of a successful business—that it must be ever active in finding new and enlarged uses for its product.

If Ontario Hydro follows along the announced policy of its new department and with the objectives outlined, it should go far to wipe out Ontario's power surplus with a consequent lessening of costs to the consumer.

Call of the Mining Frontier

He is over six feet three inches tall and almost 80 years of age. He is famous and has a long list of academic honors after his name. He is comfortably "fixed," if not rich.

But he is the newest recruit and perhaps the oldest for the Yellowknife gold rush.

He is Joseph Burr Tyrrell, the geologist and explorer, who has just taken off for the wilderness with a packsack on his back and memories in his heart.

It is almost half a century ago that he plied the northern trails with dog team and canoe, following the path of Samuel Hearne. This time he will fly in seconds over bitter trails that formerly took him weeks. Below him there will be rivers, lakes, ranges to which he gave the names.

"My own diversion" is his explanation of the purpose of his trip. It will be a "sentimental journey," but also, we have no doubt, Dr. Tyrrell will keep a very well trained and experienced eye peeled for the real possibilities of Canada's newest mining frontier.

Editorials in Brief

New Zealand's exhibit at the Toronto exhibition tells visitors in one brief informative sentence the answer to an important question. It headlines across the booth the words "Tours from Canada $500."

This is specific, alluring comment of the kind Canada should use in attracting tourists to her shores from all parts of the world.

* * *

Air Raid Precautions seem to be the order of the day in Britain. Tremendous sums of money are being spent to make Britishers air-minded and train everyone to do the proper thing in time of emergency.

In future we may expect our British cousins to be minding their "A.R.P.'s" instead of their "P's and Q's."

* * *

An American packing company has sent shareholders some devilled ham as a goodwill dividend. A similar plan was followed a few years back by a distilling company which sent a whisky dividend.

This is a fine custom but looking through our investment portfolio we hope it doesn't get out of bounds.

While we would be glad to receive a shiny new Ford car as a special dividend on our shares of Ford Motor Co. stock we might be a bit embarrassed if Canadian Locomotive Co. sent us a spanking 500-ton steam engine as an evidence of goodwill.

Sayings of the Week . .

"Better listening to you all."—*Major Gladstone Murray.*

* * *

"I do not believe that Germany intends war."—*A. Beverley Baxter, M.P.*

* * *

"I just seem to be whistling through space."—*Captain George E. T. Eyston.*

* * *

"Never has a better range of goods been sent out from our workshops and factories."—*Rt. Hon. Lord Stanley.*

* * *

"Income tax is essentially an intelligent people's law for the raising of revenue in an intelligent manner."—*C. Fraser Elliott.*

* * *

"Co-operation between the United States and Canada in marketing their wheat surpluses is inevitable."—*U. S. Secretary of Agriculture, Henry A. Wallace.*

* * *

"There are good men in the oil business in Alberta—the fact that they recognize their difficulties is an asset, not a liability." — *R. J. Deachman, M.P.*

* * *

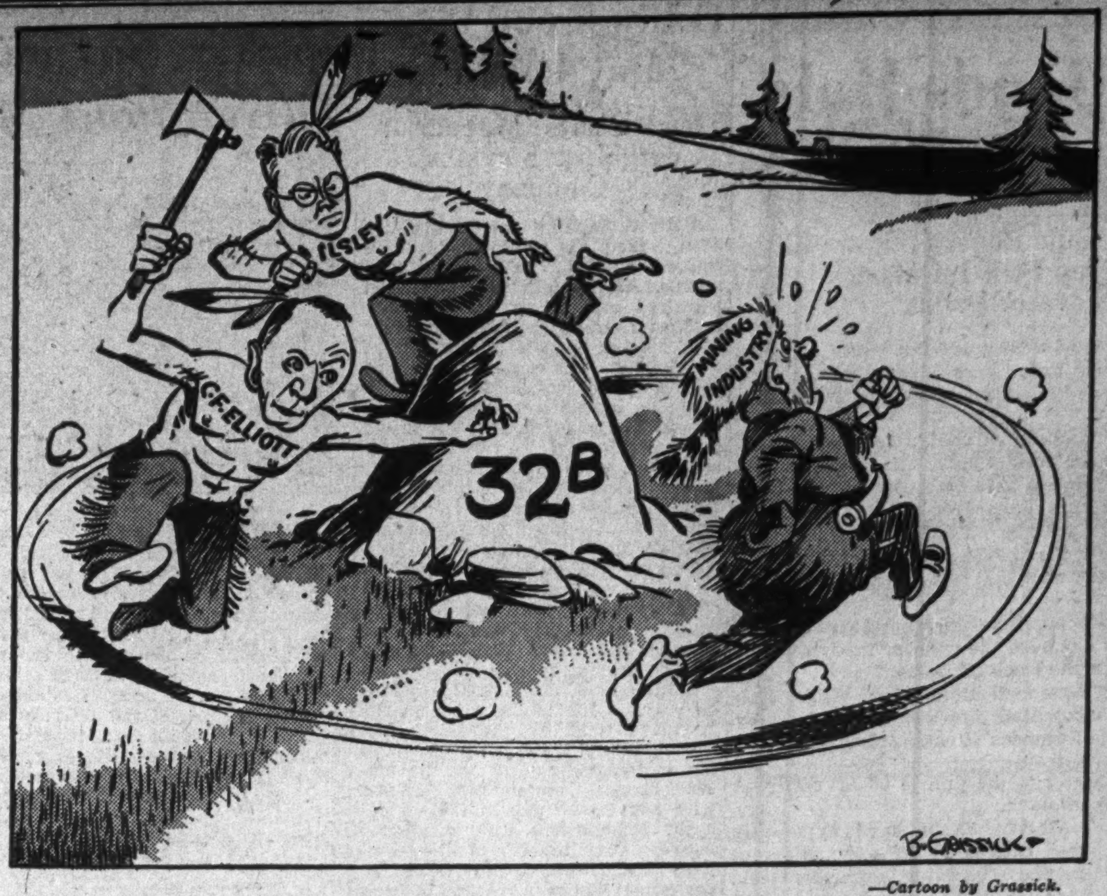
"The only way to get rid of the doles and relief employment is to get business on its feet."—*James A. Farley.*

* * *

"A modern war cannot be fought by democratic means; it requires dictatorship from beginning to end and over every aspect of national life."—*Will Durant.*

* * *

"In a smaller and smaller world, it will soon no longer be possible for some nations to choose and follow the way of force and for other nations at the same time to choose and follow the way of reason."—*Cordell Hull.*



"TIME TO SMOKE THE PIPE OF PEACE"

—*Cartoon by Grassick.*

Post-Scripts . . . .

Lord Stanley

Toronto had a warm welcome last week for the Rt. Hon. Lord Edward Montagu Cavendish Stanley, heir to the seventeenth Earl of Derby and His Majesty's Secretary of State for Dominion Affairs.

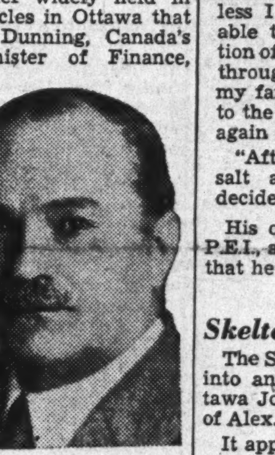
When he participated in the opening of the new United Kingdom pavilion at the sixtieth Canadian National Exhibition he sent a message of greeting to five Empire countries which travelled 51,165 miles in roughly four or five minutes. How long would such a message have taken had his grandfather sent it when he was governor general of Canada some 50 years ago?

Lord Stanley's visit to Canada is somewhat marred by an accident which happened to him just before he left England. He slipped in the bathtub and strained a ligament quite badly. As a result he has had to spend most of his time sitting down. When he does walk he does so very slowly and painfully and with the aid of a cane.

* * *

Charlie Dunning

With the belief widely held in authoritative circles in Ottawa that Charles Avery Dunning, Canada's 53-year-old minister of Finance, may never again present a budget to an expectant Parliament, due to a breakdown in health, it is interesting to look back on the chain of events which brought an English farm boy, counting his fortune in shillings, to a position far from his native heath where he could talk casually of millions of dollars.



C. A. DUNNING

In the last week of Parliament this year Mr. Dunning collapsed after presenting his budget. His illness was diagnosed as a weakening of one of the arteries leading to the heart, the seed of which was planted when the Leicestershire farm boy engaged too strenuously in athletics around the turn of the century. He had left school at age 11; was pronounced an invalid at age 15.

* * *

But Charlie Dunning landed in Canada in the spring of 1902—before his 17th birthday and took a job as a farmer's helper at $10 monthly. In two years he left to work his own 160-acre free homestead in the Yorkton, Sask., district at Beaverdale, 25 miles from the nearest railway station.

Though young, Dunning was now a full-fledged farmer with an agriculturist's problems to face. It was through the active measures he took to combat these troubles that he eventually entered the Federal Cabinet.

Farmers were discontented. Crops failed frequently. When they were good, prices were low. Agitation against the banks, railways and elevator companies was rife and out of this turmoil was born the Grain Growers Association of Saskatchewan.

Dunning joined and in 1910 acted as a delegate to the provincial conference at Prince Albert, Sask., in that year. He scored a personal triumph there and was elected a director.

Winning the confidence of both the farmer and the Government, he organized and from 1911-16 was general manager of the Saskatchewan Co-operative Elevator Co. The enterprise prospered from the start. Soon it was handling half the grain grown in Saskatchewan. He gained such a knowledge of the grain growing and export business that he was elected a member of the Canadian Council of Agriculture. At age 28 he was appointed a Royal Commissioner to investigate questions of agricultural credits and grain marketing in Europe. He became a power in the West.

* * *

Liberal politicians controlling the Saskatchewan regime feared Dunning would head a farmer's movement to defeat them, so they took him into their own army as provincial treasurer in 1916. In 1922 he was elected Liberal Premier of Saskatchewan, holding as well the office of provincial treasurer and minister of railways. Meanwhile at age 32 he had served as Director of Food Production for Canada during the Great War.

With his energy and tact he managed to hold the Liberal administration together and when in 1926 the Liberal Government at Ottawa needed a transfusion of new and healthy blood, Charles Dunning was named as the donor. He was induced by Prime Minister King to take over the Department of Railways. In 1929, when James Robb died, Dunning was the obvious choice for the vacated ministry of finance and got it. So, at 44 the English farm boy who had battled side by side with western farmers for better living and marketing conditions became the holder of the second most important position in Canadian politics.

* * *

After a five-year interlude in private business during the Bennett regime of 1930-35, he again entered public life under his old leader Mackenzie King. He assumed again the finance portfolio after the 1935 general election.

Many of his friends expected that one day he would be prime minister, but when he passed his 53rd birthday last July 31 he said:

> "The job of Finance Minister of Canada requires all the vigor, all the endurance of a man of sound physical condition. Knowing as I do what the job demands and how much it takes out of one, unless I am convinced I would be able to carry on without repetition of the illness I have just come through, it would not be fair to my family, to the Government or to the people of Canada for me to again undertake the task.
>
> "After a time at the sea, with its salt air, I should be able to decide."

His own constituency is Queen's, P.E.I., and it is on that restful island that he is presently recuperating.

* * *

Skelton's Bear

The Skelton family got their names into an editorial leader in the Ottawa Journal the other day because of Alex. Skelton's fondness for bears.

It appears that Alex. Skelton, secretary of the Rowell Commission keeps a bear as a pet. The other night, in Mr. Skelton's absence, the bear got loose and proceeded (playfully no doubt) to amble hastily after John Graham, a Rockcliffe resident who had gone for an evening stroll.

The upshot of the whole affair was that Dr. Oscar D. Skelton, Under-Secretary of External Affairs and distinguished author of "Life and Letters of Sir Wilfrid Laurier" was requisitioned to capture his son's pet and return it safely to its home in a taxi cab.

As the Ottawa Journal puts it:

> "Our Under-Secretary of State, just as we would expect, rose manfully to the occasion and shortly thereafter, in the watches of Rockcliffe night, the bear was being borne triumphantly back to captivity in Dr. Skelton's car and custody; the eminent author-diplomatist holding him in the rear seat as a measure of most thoughtful but wholly valorous precaution.
>
> "Our foreign policy, we may rest assured, is in good hands."

* * *

The episode brought forth a denial from Alex. Skelton that he owns a bear. What he owns, he is reported as saying, is a "cub"—a baby bear fed by a bottle.

However, Rockcliffe's municipal fathers have decided they will have no more of it. They have solemnly decreed a purge of Rockcliffe's "bears" and that "for the present and all time, bears in Rockcliffe must go the way of gas stations and other things inconsistent with Rockcliffe's aspirations for tranquility."

* * *

Hydro Salesman

What should be the qualifications of the head of a newly-created "Sales Promotion Department" for Ontario's publicly-owned Hydro-Electric enterprise?

Logic indicates he should know something of the problems met by the many partners of the Ontario Hydro, the various municipalities; a knowledge of the problems of the maker of electrical apparatus should do no harm.

He should be a "scientific" salesman if there is such a thing.

The present Commission feels it has found the right man in Morris J. McHenry.

An electrical engineer and a 1910 graduate of McGill, Mr. McHenry has been associated with a firm of Toronto consulting engineers, with the apparatus division of Canadian General Electric, manager of the Walkerville Hydro-Electric System, sales manager of Ferranti Electric Co. and since 1930, Toronto district manager for Canadian General Electric. He has had a chance to learn many phases of the sales of electrical energy in Ontario; has been closely connected with the sales programmes of two of the leading apparatus manufacturers. He is president of the Electric Service League, Toronto, an agency largely sponsored by electrical manufacturers to promote the use of electric lighting, and vice-president for Canada of the American Institute of Electrical Engineers. He is a former member of the Board of Governors of the Association of Professional Engineers of Ontario and past president of the Association of Municipal Electrical Utilities of Ontario.

By training, experience and associations, Mr. McHenry appears well qualified to be put in charge of a new department which Hydro officials hope will do much to eliminate Ontario's present power surplus.

* * *

Mr. McHenry's new job will not be an easy one. While his programme is not yet complete—he does not assume his new duties until Sept. 15—Hydro officials have given some idea of what they have in mind. The new department will work with the municipalities. It does not propose to interfere with present selling of electrical apparatus. It will do a job of educating the public on the uses and benefits of electric service in home, factory and farm. It will handle publicity for Hydro and may make use of extensive advertising campaigns. It will attract industries to Ontario and give advice on the best location for industries of various types.

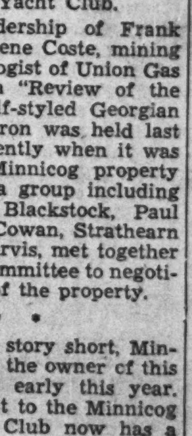
This is a big job and an important one. It will test the abilities of Mr. McHenry and his assistants.

* * *

Place of Blueberries

Most important news when the S.S. Midland City started her usual Midland-Parry Sound run through Georgian Bay's 30,000 islands this year, was that it failed to stop at Minnicog.

Properly named Minnicoganashene (the Place of the Blueberries) this 265-acre island has for a generation been a familiar landmark and stopping place on the 30,000-Island route. Thousands of families from all over Canada and the U. S. have stopped at the unique turreted hotel during the past 30 years.



FRANK COSTE

Reason for the change is that last fall a group of 30 young Torontonians who had stayed there as boys got together to form what is now known as the Minnicog Yacht Club.

Under the leadership of Frank Coste, son of Eugene Coste, mining engineer and geologist of Union Gas Company fame, a "Review of the Fleet" by the self-styled Georgian Bay Yacht Squadron was held last summer. Subsequently when it was heard that the Minnicog property was up for sale a group including Col. George G. Blackstock, Paul Flemming, Cecil Cowan, Strathearn Hay, Robert A. Jarvis, met together and appointed a committee to negotiate for purchase of the property.

* * *

To make a long story short, Minnicog Ltd. became the owner of this valuable property early this year. In turn, it leases it to the Minnicog Yacht Club. The Club now has a membership near the 90 mark. Each member in addition to his annual fee is required to purchase a $100 share in the holding company.

Flag officers of the club include: E. Frank Coste, Commodore; Col. George Blackstock, Vice-Commodore; Robert A. Jarvis, Rear-Commodore; and Cleveland Thurber of Detroit, Fleet Captain. The club has its own boat which operates on a regular schedule between the island and Penetang. Other officers of the club include: Brooke Bell, Toronto, Honorary Secretary-Treasurer; Fred Bacque and Roper Gouinlock.

* * *

Minnicog Island was sold originally in 1885 by the Crown to a Walter J. Keating for $75. It was bought the same year by Sir Roderick Cameron. He sold it in 1897 for $350 to a Philadelphian named Griscombe. Four years later it became the property of Col. Cautley who not only paid $5,000 for the island but erected on it as his personal residence the turreted building and surrounding structures which have remained until this year. Subsequently Colonel Cautley died and the property has since been handled by a trust company as a summer hotel.

One of the first things the young Torontonians did (none of them are over 45) was to remove the Cautley turret which has long reared its castle-like form atop the island.

Monday Holidays

Edmonton Journal

So widespread a demand for Monday holidays has been voiced since Dominion Day, that it would not be surprising to see some action taken next year. Newspapers and organizations seem to have had the advantages of the long week-end brought home forcibly by the fact that July 1 fell on a Friday. To many office workers this meant going back to their jobs for a mere half-day before the regular week-end, while to tens of thousands of others it interposed a day's work between two holidays.

Certainly all national holidays in the fine weather months could be celebrated with added pleasure on the Monday of the week in which they fall. Thanksgiving Day was on a Thursday by custom; it is just as much a thanksgiving day now that it is celebrated on a Monday. The King's birthday is in December, but it is celebrated just as well in June, the change being made because the weather is more auspicious in that month. If the Government can change a King's birthday observance from December to June, it is able to make a general ruling that all holidays from April 1 to October 31 should be celebrated on the Monday of the week in which they fall.

Modern Power and Engineering

The editors of Modern Power are heartily in agreement with the proposal to have most statutory holidays fall on Monday. Industrialists and businessmen generally will approve the idea.

Parliament must tackle this question of holiday dates. It is not necessary to violate religious or any other sentiment to change Victoria Day, Dominion Day and Remembrance Day.

Everyone knows how much more they enjoy and appreciate a week-end holiday than they do a single day during the week. Businessmen know how annoying the single day holiday is.

Winnipeg Tribune

Our contemporary, The Financial Post, is all burned up about the question of Monday for holidays. It has caustic comments to make upon the way in which Dominion Day was wasted this year, for a large part of the public, because it fell upon Friday.

To have all holidays fixed for Monday is clearly impractical unless calendar reform is brought about, a remote possibility. There is nothing to be done about Christmas and New York, for example, as things stand. But there is much to be said for holding Dominion Day, Thanksgiving and such festivals on Monday, just as Labor Day is always celebrated on the first Monday in September.

Editor's Note—This makes it unanimous. The Post did not urge all holidays on Monday, merely the three statutory holidays—Victoria Day, Dominion Day, Thanksgiving Day.

Other People's Views . . . .

Cedar for Dundee
Vancouver Province

Dundee is going cedar. Better still, going B. C. cedar. A contract has been signed for 4,000,000 feet of cedar from this province for use in about 500 new houses in the Scottish city.

An order for 4,000,000 feet is a good order in itself. But it should not be the last order of the kind. On the contrary, it should be the first of a procession. For if B. C. cedar is good for houses in Dundee, it is good for houses anywhere in Scotland and the canny Scot may be trusted to find this out.

And now that Scottish builders are learning the merits of this prime British Columbia wood, perhaps British Columbia builders may take some notice of it. They are not using it nearly as much as they might.

Tourist Trade is Slipping
Stratford Beacon-Herald

It is an accepted adage in business that the customer is always right. In other words, the patron must be given first consideration if a successful business is to be achieved. Applied to the so-called tourist trade—now a major Canadian industry—the simple truth is that U. S. and other visitors to the Dominion must be pleased "customers" or the tourist business will suffer a slump.

In fact, that is already happening, according to July reports. The number of tourists in Canada last month showed a decrease from the figures for the same period last year. Quebec province has suffered the most marked decline. The falling off in tourist traffic appears to parallel the conditions of the highways and other travelled roads in the various provinces. That is why Quebec—with its admittedly bad roads—is losing heavily in the matter of tourists.

The moral seems clear enough. Canada must provide good, safe, comfortable roads, to go with attractive scenery and pleasant accommodation. This is another job calling for national unity. The Dominion Government is concerned equally with the provincial authorities in building a profitable and permanent tourist business by building smooth and permanent roads. It is, of course, too late to stem the decline in tourist traffic this summer, but it is none too early for a study of ways and means of offsetting the basic cause of the falling off before another holiday season rolls around.

Stop Me If . .

Doctor "Bob" McClure is now visiting his native Canada en route to China where he has commanded the International Red Cross organization in the centre of the China-Jap war area.

One of his best stories is about a thoroughgoing young English doctor attached to his hospital who retains his traditional British calm amid every contingency.

One night when returning home, the Englishman and a companion made a mistake and walked unwittingly into a machine gun nest outside the hospital wall.

A chilly bayonet was thrust immediately into his tummy.

He turned to his friend and said: "Mr. Copeland, will you speak to this man and see what he wants."

Week in Business

Threat of War Beclouds World Business Picture

Improvement in United States, However, Adds to Favorable Domestic Outlook in Canada

War scare news from Europe has again overshadowed the general world business picture. Granted an outbreak of hostilities between any major powers would be a serious upset, at the same time it certainly would not bring Canadian business to a standstill. In fact an exactly opposite development might be the case.

Certainly the last big war actually postponed an acute business crisis that threatened this country late in 1914. Most serious immediate consequences of any break in Europe just now would be repercussions following the shock to security markets. A foretaste of what might be expected was experienced at the beginning of the week. Markets were jumpy and losses severe. Result on luxury buying was almost instantly apparent.

* * * *

Despite the unfavorable political news coming out of central Europe of more immediate concern to Canadian business has been the continued improvement in United States. Level of business in that country is now close to the best point reached this year and most significant indices continue to gain steadily.

Steel production, which fell well under 30% of capacity last spring, is now over 40 and, with automobile factories coming into the market for raw material for the new 1939 model cars, further increases are certain. Construction has been picking up and in the engineering category is now actually above the level of a year ago. Electric power consumption is well in excess of the figure a month ago and within striking distance of this time in 1937. All of this improvement has a most important bearing on the outlook for Canada because of the close if not vital connections between the Dominion and United States.

* * * *

While routine summer business in Canada continues to mark time, indications, pointing to a sharp fall pick up, continue to multiply. Car loading figures are most significant. Already the western grain movement is beginning to swell totals with an increase of over 3,000 cars for the latest week reported, a gain of 1,000 cars over the same period a year ago.

Not only is the Canadian wheat crop a great deal larger than in 1937, but quality of the grain so far delivered is unexpectedly high. Moreover the yield is turning out much better than the bulk of reports predicted three weeks ago. A survey by Sanford Evans this week points to a total crop over 340 million bushels for the three prairie provinces and Canadian business should bear in mind that no matter what the later consequences, the Government wheat board has guaranteed the western grower a minimum price which will average 60 cents a bushel at the farm. In other words a gross return of over $200 millions is certain. That much money coming into the three prairie provinces cannot help but boom western business this fall and winter no matter what Chancellor Hitler decides to do.

Business Indicators

Current business dull, according to the D. B. S. weekly index which shows some minor falling off in third week in August but level slightly above July.

Carloadings rising sharply and while still below a year ago margin between that level and the current one is decreasing. Reason due to commencement of big western grain movement.

Railway earnings gross up sharply, with C.P.R. for third week in August topping last year's level and C.N.R. getting close. Net revenue in July both lines, however, far down from 1937.

Car sales in July about a third below same month 1937 and trucks down in same proportion.

Sea fisheries catch down slightly in weight and value for July.

Electric power output July 10% below same period year ago.

Finance, bank debits, life insurance sales both down slightly in July compared with same month in 1937.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus ▴.

	Aug. 20	Aug. 13	Aug. 6	July 30	Aug. 21/37
Weekly index, D.B.S.	107.7	108.5	108.0	106.8	114.8
Commodity prices	75.8	76.6	77.2	78.0	85.3
	July	June	May	Apr.	Year Ago
Financial Post index	110.1	109.6	109.6	110.5	123.8
Retail trade index no. of sales	....	....	80.3	76.2	80.3
Dept. store sales "	....	75.9	74.4	73.4	80.1
Wholesale index no. of sales	....	....	100.3	95.5	100.4
Country sales (% of gains)	....	....	1.6	*2.2	8.6
Employment D.B.S. Index—					
	July 1	June 1	May 1	Apr. 1	Year Ago
All industries	113.5	111.9	107.4	105.0	119.1
Manufacturing	111.8	112.3	110.6	110.8	119.0
Living costs♦	....	$17.43	$17.36	$17.48	$17.20

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937
Railways—				
Carloadings, week (Aug. 20)	▴47,216	54,761	1,442,678	1,589,050
C.N.R. gr. earn., wk. (Aug. 20)	$ ▴3,370,391	$ 3,668,070	$ 106,785,292	$ 122,420,466
C.P.R. gr. earn., wk. (Aug. 20)	$ ▴2,617,000	$ 2,562,000	$ 80,006,000	$ 86,572,000
C.P.R. net revenue (July)	$ ▴507,337	$ 1,095,461	$ 3,188,365	$ 9,355,614
C.N.R. net revenue (July)	▴•96,958	958,900	•5,766,941	7,626,848
Iron and Steel (July)—				
Pig iron production (tons)	51,238	79,736	455,396	503,680
Steel ingots and castings prod. (tons)	83,927	122,968	754,668	836,145
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (July)	▴6,206	9,459	67,229	86,121
Factory output (July)	5,273	12,513	81,375	110,070
Trucks and Buses:				
Domestic sales* (July)	▴2,067	3,067	17,652	20,803
Factory output (July)	5,273	12,513	81,375	110,076
Exports (July)	4,760	8,127	39,720	42,614
Financing (July)—				
Used	$ 3,675,293	$ 3,919,664	$ 23,146,388	$ 23,146,207
New	$ 2,701,816	$ 4,375,854	$ 22,747,476	$ 28,094,133
Construction—				
Production—				
Cons. contracts (July)	$ 21,158,200	$ 21,485,300	$ 101,813,400	$ 131,861,100
Cement, bbls. (May)	545,310	557,294	1,418,414	1,337,323
Clay (May)	379,824	379,967	1,135,561	1,110,631
Gypsum, tons (June)	158,521	161,978	337,194	377,908
Agriculture—				
Flour prod., bbls. (June)	969,207	1,000,879	5,511,129	6,059,499
Flour exp., bbls. (July)	282,985	334,964	1,934,316	2,411,671
Wheat exp., bus. (July)	7,248,115	8,602,689	33,031,976	52,326,724
Cattle sales (June)	50,326	69,931	323,849	365,453
Hog sales (June)	45,593	83,935	366,244	523,811
Sea Fisheries (July)‡—				
Catch, cwts.	▴958,965	1,056,990	4,067,580	4,129,123
Landed value	▴2,559,475	2,637,640	8,639,207	9,378,988
Newsprint (tons)—				
Production (July)	202,546	314,529	1,462,417	2,102,289
Exports (June)	194,520	306,645	1,103,286	1,631,583
Mining and Oils—				
Coal prod., tons (June)	923,113	1,067,684	6,891,020	7,026,099
Coal imports, tons (June)	1,609,610	1,944,920	4,978,557	6,247,986
Gold prod., fine oz. (June)	390,693	344,895	2,218,168	1,973,251
Nickel prod., lb. (June)	16,327,169	20,959,736	108,995,141	111,386,337
Copper prod., lb. (June)	48,489,958	42,549,292	292,048,917	243,604,966
Crude pet. prod., bbls. (May)	566,086	192,845	2,381,771	852,500
Crude pet. imp. bbls. (July)	4,066,571	4,706,379	17,518,032	19,070,663
Electric Power Output (July)—				
Total monthly m.k.w.†	▴1,987,754	2,188,055	14,702,795	15,944,187
Trade—				
Imports (July)	$ 55,822,529	$ 71,995,940	$ 392,514,764	$ 452,811,629
Exports (July)	$ 78,719,799	$ 100,142,396	$ 494,399,446	$ 636,417,371
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (July)	155,910	171,241	922,002	1,033,875
Boot & shoe prod., pr. (June)	1,714,770	2,226,062	10,946,853	12,483,211
Cotton, raw, imports. lb. (May)	3,605,041	8,679,224	46,305,322	60,073,701
Raw rubber imp., lb. (July)	6,015,658	4,358,908	31,361,166	37,686,098
Cigarette cons. (July) No.†	638,703	654,313	3,870,562	3,710,174
Sugar manufactured, lb.§	86,266,450	67,278,417	370,140,908	342,788,138
Finance—				
Bank debits (July)	$ ▴2,466,370	$ 2,720,738	$ 17,051,439	$ 20,906,745
Bond sales (July)	$ 98,451,124	$ 109,714,875	$ 724,303,361	$ 829,097,565
Life insurance (July)	$ ▴30,126,000	$ 32,040,000	$ 220,175,000	$ 225,156,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's remitted. §For four weeks to July 16, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. *Decrease.

Government, Municipal Public Utility and Industrial Securities

List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation
Limited

244 St. James Street
Montreal

330 Bay Street
Toronto 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St. John's, Nfld., London, Eng.

HEADS TOURIST BOARD

C. P. Bonter, passenger traffic manager of Canada Steamship Lines, who has been appointed president of the Canadian Association of Tourist and Publicity Bureaus. Mr. Bonter is also president of the Montreal Tourist and Convention Bureau.

See Big Crop Of N.S. Apples

High Winds Now Only Hazard — Is Biggest Producer

From Our Own Correspondent

HALIFAX.—Nova Scotia may this season harvest the second largest apple crop in the last 10 years. Estimates run from 2.2 to 2.4 million bushels. Biggest yield in this period was in 1933 when a total of almost 2.9 millions was harvested.

Having won their battle against insects after the most intensive spraying programme in history, growers in Canada's largest apple producing province feel that only disastrous windstorms can now spoil the outlook.

Insects and windstorms are the chief bugbears in the maritime peninsula where apple production is a $5 millions industry, employing 5,000. The growers can do nothing about the winds except pray that there won't be a blow like that of last year which cost them thousands of dollars. But they can do something about the insects and they have done it.

$300,000 For Spray

Cost of spraying is generally estimated at about $300,000 annually for materials alone. One thousand growers were this season members of organized "spray circles," making six or seven sprays a season to combat the eleven types of insects that menace the crops. Aiding them in this war of science upon Nature were spray and dust calendars supplied by the Nova Scotia Department of Agriculture.

Success of these efforts was indicated at the conclusion of the recent ninth annual orchard tour of the Nova Scotia Fruit Growers association when it was stated that "the crop is unusually clean."

Major Producer

Nova Scotia heads British Columbia as leading producer of apples in the Dominion. For the nine years preceding 1929 Nova Scotia averaged 1,296,553 barrels, British Columbia 1,096,618 barrels, and Ontario 894,846 barrels. Some N. S. apples are sold in Ontario, Quebec and Maritime markets but 85% exported to Great Britain and Continental Europe where "a fair price" is anticipated this season.

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Belgium—Economic conditions tended to improve slightly in July and financial developments were considerably more favorable, but the future is not viewed with particular optimism.

Germany—Exports in Germany's foreign trade during July (excluding Austria) showed the first excess of exports over imports since March; a rise in the export trade during July as compared with June was due entirely to larger shipments of manufactures.

Peru—Uncertainty and lack of confidence exists among commercial interests, owing to weak foreign demand for cotton, unfavorable prospects for the remainder of the crop in two leading districts, and a general reduction in exports at lower price levels.

China—Shanghai's recorded trade for seven months shows declines from the same period of 1937 amounting to 71% for imports and 69% for exports, but July trade was above June in both branches.

Foreign Exchange

Foreign exchange markets were again affected by the threat of war. The speech of Sir John Simon to the effect that Britain might find herself forced to take part in a general European conflict turned demand again toward gold and United States dollars. The pound sterling on Monday sold at $4.87 in New York, in spite of the engagement of $10,000,000 for shipment from London to New York. French francs, Swiss francs, Dutch gelders and the belga were also fractionally lower. Canadian dollars moved in a narrow range in relation to New York.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Aug. 29	1.00 5/32	1.00⅛
Aug. 27	1.00¼	1.00 3/32
Aug. 26	1.00 5/32	1.00 3/32
Aug. 25	1.00 11/32	1.00¼
Aug. 24	1.00 11/32	1.00 5/16
Aug. 23	1.00 11/32	1.00 11/32

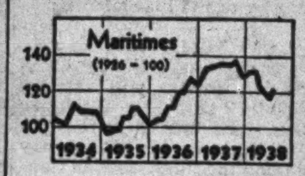
U. K. Pound	Closing	Last Year
Aug. 29	4.87¾	4.96¾
Aug. 27	4.88⅜	4.97⅜
Aug. 26	4.88⅞	4.98⅛
Aug. 25	4.89¼	4.98¼
Aug. 24	4.89⅞	4.98¾
Aug. 23	4.89¾	4.98¾

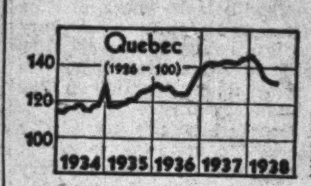
Other Currencies, Aug. 29

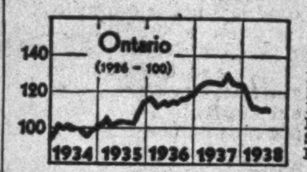
Australia	3.90½	Italy	.0527
Belgium	.1692⅛	Japan	.2845½
Czecho.	.0346¼	Jugoslavia	.0233⅞
Denmark	.2178⅝	N. Zealand	3.93½
France	.0273⅛	Norway	.2452⅝
Germany	.4014¼	S. Africa	4.86¾
Greece	.0089⅞	Sweden	.2516
Holland	.5451½	Switzerland	.2289
Hungary	.1984	Hong Kong	.3050¾
India	.3635⅝		

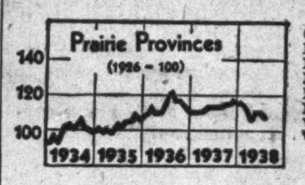
Summer Business is Dull Throughout Most of Canada

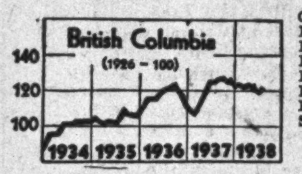
Only slight changes occurred in general business activity throughout the five economic areas of Canada during July. There was a little improvement over June in the Maritime Provinces and British Columbia, a slight falling off in Ontario, Quebec and the Prairie Provinces. Compared with a year ago all provincial regional indices are down substantially especially in eastern Canada. Details are as follows:











Trend of Business in Economic Areas

	July, 1938	Change from July, 1937 %	June, 1938
Maritimes:			
Construct. contracts .. $	2,225,000	+95.2	4,127,000
Building permits .... $	322,000	—38.0	386,000
Elec. pwr. ... 000 kw.h.	71,313	—7.3	74,077
Employment*	112.6	—16.2	116.7
Bank debits .. $000,000	56.1	—6.5	55.3
Life insur. sales .. $000	2,149	—15.3	2,354
Exports $000	5,242	—22.6	7,727
Index	121.1	—8.7*	118.5
Quebec:			
Construct. contracts .. $	8,731,000	+19.9	5,487,000
Building permits .... $	1,055,000	+15.2	999,000
Elec. pwr. .. 000 kw.h.	1,029,962	—5.5	1,018,961
Employment*	117.8	—2.5	119.9
Bank debits ... $000,000	869	—5.3	906
Life insur. sales .. $000	7,868	—8.9	8,938
Raw cotton consump. lb.	7,592,035	—31.8	9,006,690
Newsprint output . tons	202,546	—35.6	201,694
Index	131.0	—7.9	131.9
Ontario:			
Construct. contracts .. $	6,737,000	—12.4	9,301,000
Building permits .... $	2,392,000	—13.5	2,645,000
Elec. pwr. ... 000 kw.h.	579,560	—20.1	585,129
Employment*	111.2	—9.0	114.0
Bank debits ... $000,000	1,087	—7.7	1,303
Life insur. sales .. $000	13,219	—6.4	16,246
Livestock slaughterings*	120.1	—19.7	123.9
Steel product'n . L. tons	51,238	—58.3	64,375
Motor car prod. ... No.	9,007	—49.8	14,732
Index	110.4	—12.5	111.1
Prairie Provinces:			
Construct. contracts .. $	1,767,000	—45.0	1,341,000
Building permits .... $	734,000	+30.1	1,289,000
Elec. pwr. ... 000 kw.h.	145,948	+0.8	146,563
Employment*	104.9	—0.7	99.8
Bank debits ... $000,000	293.8	—25.4	311.9
Life insur. sales .. $000	3,947	—2.7	4,439
Wheat receipts 000 bus.	2,600	—22.5	3,278
Wheat prices No. 1 Nor.	98.4	—32.4	114.3
Index	107.9	—4.4	110.4
British Columbia:			
Construct. contracts .. $	1,698,000	—21.7	673,000
Building permits .... $	1,728,000	+173.0	1,243,000
Elec. pwr. .. 000 kw.h.	160,971	+6.3	148,425
Employment*	107.1	—8.4	108.0
Bank debits ... $000,000	160.6	—5.8	154.1
Life insur. sales .. $000	2,592	—3.7	2,790
Exports $000	8,475	—27.2	7,327
Shipping ..... 000 tons	1,139	—4.4	963
Index	121.9	—4.7	120.0

*1926 = 100.

Low U.S. Prices Hit Cattle Sale

Canadian Exports Down But Late Improvement Expected

United States cattle markets early this fall, are not expected to reach the high levels of a year ago. This is of considerable interest to Canadian farmers in the southern half of the Prairie Provinces and in western Ontario who, in normal years, may ship across the line 200,000 head of cattle worth from $10 to $15 millions. Recent exports have been much smaller than usual. Later in the year and early in 1939, the United States Department of Agriculture is looking for higher prices, especially if the recent business improvement in that country continues.

Feed Abundant

There have been several reasons for the present cattle market in United States. Bountiful crops in the last two years have resulted in heavier local supplies and this expansion, until a few months ago, coincided with a business depression and sharp consumer resistance to high retail meat prices. As a result values dropped.

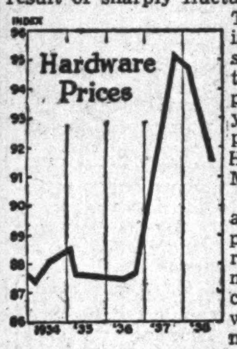
Now, however, American business is again on the up grade and purchasing power is expected to increase. If so, available supplies of finished cattle may prove insufficient and prices might rise to a point where Canadian exports would again be profitable. The duty under the annual quota of 155,000 head of beef cattle is only one-half cent per pound though twice this when quota has been filled.

Good feed crops since 1937 are enabling American farmers to rebuild herds which were seriously depleted during the droughts of 1934-1936. Total cattle production in that country, however, is still below normal and is expected to continue so for at least the next two or three years.

Background of Business

Hardware Fluctuations

In the last two years hardware dealers have been forced to work overtime on their bookkeeping as a result of sharply fluctuating prices.



The range is graphically shown in the accompanying five-year chart prepared by Hardware and Metal.

Following an almost unprecedented rise in raw materials, occasioned by world armament expansion prices of finished hardware rose sharply in 1936 and 1937, reaching a peak last fall. This brought the average back to the level of 1928, though it was still considerably below the 17-year high reached in the middle of 1924. For the last seven months, however, the trend has been reversed. Reductions were almost as rapid in the first half of this year as were the rises last season. Recently, of course, raw material values have strengthened and barring unforeseen developments a period of stability is in sight.

With good western crops and continued firm rural purchasing power throughout eastern Canada, Hardware and Metal anticipates heavy sales this fall and winter. Recent removal of sales tax on many building items is also expected to help demand.

* * *

Mail by Air

By next August, transport of all first-class mail across Europe will be by air, according to report from the International Chamber of Commerce. This will be the latest effective date, the Chamber estimates, for the "all-up" scheme recently adopted by representatives of 26 European countries, in conference at Brussels. First-class mail on all European routes will be carried by air without extra charge, wherever air transport is the quickest means available. Mail between England and most parts of the Empire has been carried by air since early this year.

* * *

Car Sales Off

New car sales of leading models in eastern Canada, according to a survey by Canadian Automotive Trade, show totals down almost 50%. For the year to date, however, shrinkage is approximately 20%. Due to change-over to new models, earlier than usual this season, Canadian factory output at present is much reduced, and little improvement is expected in sales until figures are available for the current month.

In used cars, however, as will be noted from financing figures in the Business Indicator table of The Financial Post, there has been a substantial improvement in recent months and current volume is very close to the satisfactory showing of a year ago.

Total registrations of leading models in eastern Canada was almost 4,300 as compared with slightly over 8,000 in July, 1937. Relatively, there was less falling off in medium-priced vehicles than in the cheaper cars, a trend that has been noticeable in Canada for the last two years.

Details as reported by Canadian Automotive Trade are as follows:

New Passenger Car Registration
(In Eastern Canada)
Leading Models

	July 1938	July 1937	Year to Date 1938	Year to Date 1937
Ford	973	1,671	11,680	13,681
Chevrolet	842	1,994	10,105	13,645
Dodge	686	1,245	7,769	10,084
Plymouth	647	1,175	7,460	8,819
Pontiac	320	590	3,444	4,122
McL.-Buick	212	386	2,643	2,630
Oldsmobile	190	427	1,963	3,624
LaFayette	154	239	1,559	1,543
Chrysler	150	251	2,068	2,451
Hudson	112	51	1,136	395
	4,286	8,029	49,227	60,994

* * *

Prairie Truck Sales

More motor trucks were sold in Lethbridge during July than in any previous month in the city's history, the Lethbridge Herald estimates. The bulk of these new vehicles will be used to move the crop now being harvested. Farm machinery sales are also reported to be the highest in years. Most dealers reported that more than half of their recent sales had been for spot cash.

* * *

Silver Lining

The discouraging picture of Canada's falling export trade during the first half of this year is apparently not as black as the statistics make it look. Encouraging features of analysis of the figures are noted in the Canadian Bank of Commerce August letter, as follows:

1. An apparent decline of $59 millions in bullion shipments (included in trade totals as merchandise) dwindles to $12 millions when allowance is made for shipment of gold coin, obtained from the Bank of Canada in exchange for bullion and shipped abroad, but not included in trade figures.

2. Decline of $28.5 millions in exports of wheat and flour was due to shortage of grain resulting from 1937 crop damage, rather than to lack of markets.

3. Price levels were lower than last year, particularly in regard to lumber and base metals.

Protection that comes from PERFECTION

EXPERT and EXPERIENCED Engraving and Printing of
Bank Notes
Bonds
Debentures
Stock Certificates
Cheques
Drafts
Postage and Revenue Stamps and other Monetary Documents

Protection against unlawful duplication of bank notes, bonds, stock certificates and other monetary documents is guaranteed by the very perfection with which we engrave and print them. The master steel engravers we employ achieve a perfection of detail and design that only equal genius could copy. To the defensive quality of their art is added Safety Paper made exclusively for this purpose. More than a century of experience has given us deep familiarity with commercial, as well as financial engraving needs. We are able to co-operate fully in the planning and execution of your requirements.

CANADIAN BANK NOTE COMPANY
Limited

HEAD OFFICE and WORKS
OTTAWA

BRANCH OFFICES
TORONTO
MONTREAL

2-38

SECURITIES FOR INVESTMENT

Suggestions for the purchase of government, municipal and corporation securities are made to suit the requirements of the individual investor. Consult any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

Check Your Investments

A systematic survey of securities is necessary in order that you may be kept informed as to their current position. We will be glad to give you quotations and the latest available information concerning any securities in which you are interested.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161

Ottawa
Montreal

London
Hamilton

Correspondents in New York and London, Eng.

MONTREAL TRUST COMPANY

BUSINESSLIKE AND UNBIASED

When we administer estates all the proceedings connected therewith are businesslike. No partiality is shown anyone. As Trustee and Executor it is our duty to see that the wishes of the Testator are faithfully executed.

Appoint Montreal Trust Company Executor of Your Will.

YOUR PROTECTION

MONTREAL TRUST COMPANY
61 YONGE STREET, TORONTO

Toronto Office:
J. F. HOBKIRK, Manager

Stop the THEFT of MONEY, TIME and GOOD WILL in name and data transcribing

Three of the boldest thieves of business-earnings are mistakes, delays and illegibility in name and data transcribing. Modern Addressograph methods—applicable to every need for re-writing names and data—provide protection against the hazards which penalize both the business and its office workers. Records are authentic. Convenient reference files and durable transcribing units are combined. Complete records, or any part, are written through a ribbon *in one motion,* instead of many.

Copies are facsimile typewriting—clear, distinct, correct duplicates of the originals, regardless of who does the work.

No mistakes! No delays! No illegibility! No checking for errors! No waste of money! No waste of time!

● Work is not interrupted by absences of employees. Peak loads are avoided, even during shorter working hours. Employees are protected against the penalties of errors. Customer good will is protected.

ADDRESSOGRAPH METHODS *provide:*
Improved Office Procedures *to simplify routine*
Predetermined Accuracy *to save money*
Speedy Transcribing *to save time*
Instant Legibility *to protect good will*
Practical—Economical Use *for each department*

Investigate ADDRESSOGRAPH Methods

Profitably used throughout the world for more than 40 years, for hundreds of different applications, Addressograph methods offer you the means to eliminate loss hazards against which insurance cannot be bought. Continued and ever-increasing use of these simple, economical methods should challenge your interest. For complete information write on business stationery to your nearest Addressograph Sales Agency, which will supply all the facts and arrange a practical demonstration.

ADDRESSOGRAPH - MULTIGRAPH OF CANADA LIMITED
Canadian Head Office and Factory: 349 CARLAW AVE., TORONTO

Sales and Service Agencies:
TORONTO MONTREAL HAMILTON HALIFAX WINNIPEG VANCOUVER OTTAWA QUEBEC

Pulp and Paper Industry

Advertising Prospects Appear Brighter

Upturn in National and Retail Will Benefit Newsprint Mills

From Our Own Correspondent

MONTREAL. — Production and shipments of newsprint paper, and to a lesser extent kraft and other papers, between now and the end of the year will depend largely upon the volume of advertising in American newspapers.

Advertising controls the size of the metropolitan daily and an increase or decrease in linage has a definite bearing on the consumption of paper.

A current survey of national and local advertising in the United States indicates that the trend is likely to be upward during the balance of the year.

National Field Hopeful

In the national field prospects are encouraging. To the end of last month the outlook was rather gloomy. National manufacturers and distributors had been holding back waiting for some signs to show how business was likely to shape up over the fall and winter months.

When the outlook is clear it is the usual custom for the advertising agencies to have their campaigns for the fall complete and their schedules drawn up at this time. This year is an exception and very little has been done.

Campaigns Are Late

The belief of a business upturn has been growing steadily in the last few weeks and executives have finally approved schedules. Delay in getting executive endorsement, however, will delay some advertising drives for a month or two with November and December expected to be the peak months.

Promotional work was cut down during the spring and summer, many advertisers indicating their intention of resuming in the fall. In turn the early fall campaigns were held back, resulting in an accumulation of work that will be released within the next few weeks.

Follow Same Trend

The extent to which large companies husbanded their advertising funds during the first half of the year is revealed in newspaper advertising linage. To the end of July newspaper advertising in 52 metropolitan cities of the United States was off 15%. At the same time consumption of newsprint paper was off 12.3%.

The trend of advertising linage in the 52 cities and consumption of newsprint paper in the United States by months this year, with comparative figures for 1937, follow:

(Per cent Decline with Comparative Month for 1937)

1938:	Advertising Linage	Newsprint Consumption
January	14.2	7.2
February	14.2	11.2
March	13.6	12.3
April	16.1	12.9
May	16.0	14.6
June	19.1	16.4
July	15.7	10.7
To end of July	15.0	12.3

"Nationals" Getting Into Swing

On the proved theory that advertising linage influences consumption of paper, it is interesting to size up the prospects for the balance of the year. An upturn will add materially to the welfare of the Canadian newsprint industry.

Taking the national advertising field first. The automobile industry is expected to come to a decision shortly on its plans for the 1938-39 season. Indications are that they will step up production. The American public is expected to have a larger spending power over the next six months as a result of government spending, and the automobile industry is out to get its share.

Increasingly sharp competition makes the fall outlook bright for food advertising. Campaigns just approved in the canned soup, cereal, canned fruit and other packaged foods fields indicate that advertising schedules for the fall will come very close to those of last year and in some instances exceed them.

The home appliance and furnishings fields presents a somewhat diversified picture. Radio set manufacturers expect good sales and have planned intensive campaigns which should probably equal those of a year ago. Refrigerator makers, on the other hand, have experienced a disappointing year and while some increases over the current low point are expected, campaigns will be curtailed.

Retail Field Prospects

In the local field conditions are not quite as clear cut. During the first 34 weeks in 1938 retail advertising in the United States recorded a drop of 11.3% from the same period in 1937, but was only 6.7% under the 1936 figure.

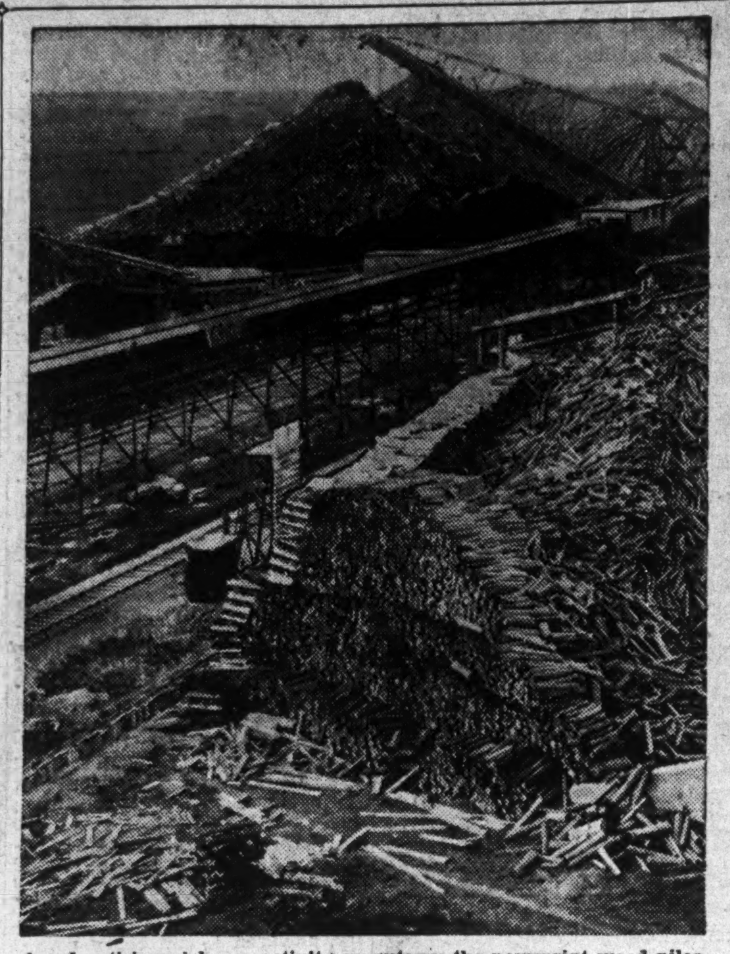
During last July retail advertising was off 14% from July a year ago. For the first three weeks of August a slowing down in the rate of decline was noted, the decrease amounting to 13%. Last week was the smallest decline reported since the first week of May.

The retail trade in the United States felt the pinch in July. So far sales have not been as good as expected, but they are improving. As for the outlook over the next few months, retailers are banking on the expected upturn in business and government spending to increase their business. This means increased advertising programmes by the retailers in order to get their share of the consumers' dollar.

Decline Has Been Checked?

On the whole the indications are that in the United States, Canada's largest market for newsprint paper, decline in advertising linage has touched bottom. It is still too early to say that there will be an increase of 5% or 10% in advertising volume, but it is reasonably safe to say that the decline has been stayed.

On this basis prospects are that paper manufacturers will be able to figure on a reasonably good market for their product. Further there is better than an average possibility that there will be an increased demand consequent upon the anticipated increase in advertising linage.



As advertising picks up activity mounts on the newsprint wood piles.

Southern Kraft Corp. Bleached Kraft on Market

From Our Own Correspondent

MONTREAL. — Southern Kraft Corp.'s new mill at Springhill, La., is in production and the bleached kraft made there is now available for sale.

This subsidiary of International Paper has borrowed heavily from the banks, through the parent company, to finance its Southern developments.

B. C. Pulp Reopens Mill For Two Weeks Period

From Our Own Correspondent

MONTREAL. — British Columbia Pulp & Paper Co. will reopen its Woodfibre plant after Labor Day for a two weeks period in order to produce some special grade pulp.

Permanent operations of the plant are still indefinite although the rayon pulp market is believed to be steadily improving.

Bowater-Lloyds Set-up Complete

Formally Take Over Control of I. P. Property — Elect New Officers

From Our Own Correspondent

MONTREAL.—Control of International Power and Paper Company, of Newfoundland, was formally taken over by Bowater-Lloyds Newfoundland on Aug. 15.

At the special meeting held at Corner Brook, the following were elected officers of the company: Eric V. Bowater, president; George S. Currie, first vice-president; Major T. Stanley Howard, secretary-treasurer; H. M. S. Lewin, resident director and general manager; Frank P. Silver was appointed mill manager.

Following the meeting, Arthur Baker, vice-president of the parent company in England and representing Eric Bowater, spoke encouragingly of the future prospects at Corner Brook, but no definite announcement was made regarding early resumption of full-time operations at the mill or the beginning of mill extensions.

U. S. Paperboard Prices Are Advanced $2.50 a Ton

MONTREAL. — Ohio paperboard manufacturers report an increase of $2.50 a ton in the paperboard price and of $2 a ton for scrap paper.

Prices now being quoted are $47.50 for bleached manila, $57.50 for patented coated board, $82.50 for single sulphite and $115 for solid sulphite. Clay coated grades range from $65 to $85 a ton.

Sturgeon Falls Lease Arrangements Fall Down

Attempts of the syndicate of Sturgeon Falls businessmen to negotiate an agreement whereby they could operate the Sturgeon Falls mill of Abitibi Pulp and Paper Co. appear to have broken down. The offer of the syndicate was not considered satisfactory by either the Department of Lands and Forests for Ontario or the receiver for the company. Financial backing of the group was hardly considered adequate and there was a likelihood that the original sponsors would lose their money.

The syndicate is understood to have taken an option on a mill site just outside of the Sturgeon Falls town limits and it already has a 12-ton mill built elsewhere. It is understood that the offer of the syndicate was for a rental of $12,000 a year for the plant and payment of part of the taxes and insurance premiums. Cash subscribed by syndicate members amounted to $10,000.

Pulp, Paper Carloadings Show Seasonal Advance

From Our Own Correspondent

MONTREAL.—Canadian railways report carloadings of pulpwood, pulp and paper for the week ended Aug. 20 last show a seasonal increase, but there is no material change in the trend compared with last year. Pulp and paper loadings are showing a tendency to rise more quickly and at present are running about the rate of 66% of last year.

Carloadings of Pulpwood	
Week ended Aug. 20, 1938	1,318
Week ended Aug. 21, 1937	1,694
Year to Date	
1938	64,156
1937	56,358
1936	41,814
Pulp and Paper Loadings	
Week ended Aug. 20, 1938	1,642
Week ended Aug. 21, 1937	2,401
Year to Date	
1938	56,072
1937	88,013
1936	72,599

Texas Newsprint Mill Nears Construction Stage

From Our Own Correspondent

MONTREAL.—Construction work on the proposed Texas newsprint mill will start in the near future, according to Ernest L. Kurch, president of the Southland Paper Mills Inc.

The mill will be located at Lufkin, will cost $7,500,000 and have a capacity of 50,000 tons of newsprint a year.

All of the output has been contracted for by about 20 southern newspapers, according to Mr. Kurch. Kraft and other papers also will be manufactured.

Scott Paper Reports Uptrend in Earnings

From Our Own Correspondent

MONTREAL.—Scott Paper Co., one of the principal customers for the pulp output of Minas Basin Pulp and Paper Co., reports a net profit for the quarter ended July 2 at $387,213, equal to 68 cents a share on the common. This compares with $356,549 or 26 cents a share in the June quarter of 1937 and $356,414 or 62 cents a share in the three months ended April 4 this year.

Southern Kraft Corp. Adds to Temporary Loan

MONTREAL. — Southern Kraft Corp., subsidiary of International Paper Corp., increased its 6% notes by $200,000 in July, making $9.4 millions outstanding at the close of the month.

The notes were issued to International Paper Co. and pledged with the bank, which advanced funds for capital expenditures in connection with construction of Southern Kraft's mills.

New Brunswick Exports of Pulpwood up Sharply

MONTREAL.—Heavy exports of pulpwood from New Brunswick ports to Germany are reported from the Miramichi district, port of Saint John and other points in the province.

JAMES W. SEWALL
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

Editors Demand Bren Probe

(Continued from page 1)

is presumably satisfied with its terms.

"The Hon. Ian Mackenzie, Minister of National Defence, has a right to be heard before any judgment is made, and he also has a duty to clear the public mind. The Canadian public anxiously awaits his statement."

One Vital Point

"There is one vital point in which the Canadian public will interest itself keenly," says the Winnipeg Free Press. "It is this: there must be no swollen fortunes in this country founded upon the tragic need of Canada to defend herself. There must be no profiteering. Last June this very question was raised in the columns of The Free Press, and there remains some doubt whether it has been adequately answered.

"Col. Drew's attack is not wholly a fair one. He attempts to create certain mysteries where no mystery really exists, but Mr. Mackenzie to some extent laid himself open to it." The Free Press suggests that the minister in discussing the contract in the house, had chiefly in mind warding off attacks from isolationists who see in British war contracts in Canada an ultimate commitment to war by this country.

"Col. Drew is on sounder ground, however, when he says that Major Hahn, the president of the John Inglis Co. 'must have had some undisclosed status' when he went to England to sound out the British Government about getting war contracts . . . It sounds a little ingenuous that, in this haphazard way, Canada has embarked upon business relations with Major Hahn and has also given that gentleman a 10-year contract for the manufacture of Bren guns in this country.

"But what will most interest the public is the possibility of profit involved in this contract which, it is believed, will be followed by others. How far is the public safeguarded? Major Hahn is getting business on which he cannot lose money. He will be paid on a cost-plus basis, and while Mr. Mackenzie told the House of Commons that it would mean less than 10% profit, Colonel Drew believes it will work out to considerably more."

After asking how excessive profits are to be avoided in these cases, The Free Press quotes from Mr. Mackenzie's July 1 speech in the House of Commons that the Government had attempted to combine the principle of public ownership with private management in the Bren contract.

"Mr. Mackenzie's reference to public ownership and private management is due to the fact that much of the machinery for the Bren gun production is being loaned to the John Inglis Company by the Canadian and British Governments. But this is very definitely not public ownership and private management. True, the machinery remains the property of the Government, but public ownership, properly speaking, surely means that the company which produces the guns should be owned by the Government, too.

"That is not the case. Colonel Drew points out that Major Hahn, with the contracts in his pocket, set to work to float companies which would handle the deal. Stock is being offered to the public in order to finance them, which lends weight to the suggestion that Major Hahn had, to start with, nothing but a bright idea. He persuaded the governments involved to give him the Bren gun license, got the contracts, and floated companies to handle the whole deal. Over a matter of 10 years, during which Major Hahn's license runs, there will be in all probability many more contracts, and Major Hahn and the John Inglis Company stand to make a very large sum of money out of the public treasuries of the two countries involved.

"There would perhaps have been better protection for the Government if it had acquired, or been granted, a substantial share in the stocks of the Hahn companies. In this event Mr. Mackenzie's ideal of public ownership and private management would have been fulfilled. As it stands at present, Major Hahn is fairly well on velvet, even admitting that no man should be robbed of a legitimate profit out of the business he does. The situation is one which merits further investigation, and Mr. Mackenzie's offer freely made to have this and all other war contracts subjected to investigation by a committee of the House is one that should be taken up."

Disagreeable Facts

Under the heading "The Air Should be Cleared," The Ottawa Citizen remarks that the controversy over the Drew charges leaves "several impressions on the average innocent bystander's mind. One is that the article certainly seems to have discovered a number of disagreeable facts.

"Among them is that the contract was not let in a manner which suggested alertness and a complete determination to place so important a matter as the manufacture of essential war material in the very best equipped hands. Another is that the Government was not careful enough in allowing public information to get out to remove all shadow of doubt regarding the soundness of the deal.

"Still another impression which has gained a hold on public opinion is that the department's reply to the original article was scarcely what might be called adequate. This may merely be because those who drew up the reply were disposed to treat the whole issue raised by Col. Drew as of no consequence—something that few people would be interested in and which would be forgotten in a day or two. If that is so, it was a bad guess."

On the other side of the question The Citizen believes, "it is almost inconceivable that the Government would enter into the Bren gun contract without being fully assured of its excellence. The responsible ministers are aware that anything of a questionable character in a munitions contract at this moment—with the world on the brink and public anxiety at high pitch—would be politically fatal.

"There is also the fact, pointed out in the department's reply, that the contract entered into by Canada is identical with that made by the British War Office. Another fact is that it was approved by inter-departmental experts. The more these considerations are pondered, the more the inclination will be to hope if not believe that Col. Drew has uncovered a mare's nest."

"If the department and the minister are wise," The Citizen concludes, "they will see that the whole affair is given the fullest airing. It is essential that public confidence be restored."

Must be Investigated

"We agree with Col. Drew that the matter not only should, but must, be fully investigated," says the Owen Sound Sun-Times. ". . . Here is a case in which a prominent citizen accuses a government of what practically amounts to crookedness; in which the accused hotly denies the allegations; in which the accuser repeats them; and in which, if it goes on long enough, there will be a seesaw of assertions which can leave nothing in the public mind but the impression that both parties are stretching the truth to the breaking point.

Surprising

The Quebec Chronicle-Telegraph suggests that it is surprising that "so practical a set of politicians as that which comprises the Liberal Cabinet of Prime Minister King" should have overlooked the possibility of criticism in the organization of Canada's defense. It mentions the change from the Government's avowed policy of confining the manufacture of war equipment to State owned establishments. Without attempting to answer the claims of Hon. Ian Mackenzie for the Bren machine gun contract, the paper says:

"But we will say that if it is a 'fine' contract it is also an extrmely remarkable one and the article in Maclean's has established a prima facie cause that the Government cannot meet too promptly or too satisfactorily 'in the public interest of Canada.'"

It states that factual evidence is needed for a convincing rebuttal of Col. Drew's charges, concluding that "all Canada will await with eagerness whatever Prime Minister King and his Defence Minister may have to say."

Against Profiteering

"Col. Drew certainly asks some questions," says the St. Catharines Standard, and adds: "One thing this country will not stand for is war profiteering . . . Whatever contracts are made for the making of British bombing machines, in which Canadian money is involved, should be laid on the table for the public to read and digest. If we are to assist in the British programme let the business be clean and without that curse of government pap and patronage."

The Brantford Expositor says: ". . . There will be rather wide concurrence in Colonel Drew's contention that a reply to the effect that his article is merely a part of a 'mud-slinging campaign of ambitious politicians' is no answer to specific enquiry. It might serve on the hustings but it will not do in this instance."

Complete Answer Asked

The Kingston Whig - Standard says: "In the public interest a more complete reply than the statement made by Hon. Ian Mackenzie, should be made by the Government to the allegations made and the questions asked by Col. George A. Drew. . . . If there is one thing in our Canadian public life at this time that should be above suspicion, it is the organization of our national defense."

"No doubt a committee of the House of Commons will go into the matter at the next session and until that time the arguments are likely to circulate outside the facts," says the Regina Leader-Post. "But a committee, with all parties represented, should be able to draw out and appraise the realities."

Reasonable Demand

"Col. Drew's demand for appointments of a judicial or other non-political committee to investigate his statements regarding Government contracts for machine guns is a reasonable one," says The Windsor Star.

DONNACONA PAPER
COMPANY LIMITED

GROUNDWOOD and SULPHITE
PULP • NEWSPRINT and
"DONNACONA BOARD"

Mills at the Company Townsite of Donnacona, P.Q.
HEAD OFFICE • QUEBEC CITY

PRICE BROS.
& Company Limited
NEWSPRINT and BOARD
Mills : Saw Mills
SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
HEAD OFFICE PRICE HOUSE QUEBEC CITY

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

50 Years' Service to Canadian Business
1888 . . . 1938
Filing Systems and Office Equipment
THE OFFICE SPECIALTY MFG. CO. LIMITED
Home Office and Factories—NEWMARKET, Ont.
Branches in principal Canadian cities.

"SO NOW THE BOSS INSISTS ON MULTISCRIP — THAT'S HOW I GOT MY RAISE!"
LOOK AT THIS FORM LETTER FROM JENKS & CO. WHY CAN'T WE MAKE OURS AS CLEAN AND NEAT?
I'VE AN IDEA HOW WE CAN, SIR
WELL, SEE WHAT YOU CAN DO WITH THESE SALES LETTERS; THEY MUST BE OUT THIS WEEK.
YES SIR.
RIGHT ON TIME AND THE NEATEST JOB WE'VE HAD YET— WHAT'S THE SECRET?
MULTISCRIP, SIR. IT MAKES ALL THE DIFFERENCE.

Duplicating paper may seem to be a small item in your budget. Yet you might be surprised at what you can save in time and spoilage by using Multiscrip Mimeo. And you will certainly appreciate the sharper, cleaner-looking impressions you get on this fine watermarked duplicating paper, even with fast production on long runs.

Multiscrip is made by the makers of Cheneaux Bond and other fine papers. It is available in six colours and white and can be obtained from stationery supply houses, or from Eddy branches and distributors throughout Canada.

Multiscrip
MADE IN CANADA
MIMEOGRAPH

The E. B. EDDY CO. LIMITED - Fine Paper Division - HULL, CANADA

Make sure of 3-way RESPONSE
SIGHT!
TOUCH!!
MIND!!!

Specify

EARNSCLIFFE
LINEN BOND

Skepticism is harmless . . . until it becomes a fixed mental habit. But skepticism never alters facts . . . and it is a fact that good business stationery does win customer respect and goodwill. A fact proved daily by prominent business houses in every line . . . with letterheads of "Earnscliffe Linen Bond". Few bond papers meet the three-way test so completely. Few possess the beauty of texture that so pleases the eye . . . the crisp substance that greets the fingers . . . the distinction that impresses minds . . . the unconscious judgment of your House by those with whom you correspond.

This Watermark identifies Rolland papers — made in Canada by Canadian craftsmen.

Specify "Earnscliffe Linen Bond" to your printer.

ROLLAND PAPER
COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL
Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

THE FINANCIAL POST
Largest Circulation of All Canadian Financial Papers
Vol. XXXII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 3, 1938 | 10c a Copy; $5.00 a Year | No. 36

British Rail Amalgamation

State Operation Seen as Ultimate Goal If Further Changes Are Made in Set-up

By BRUCE GRANT

Has amalgamation of Britain's 120 pre-war railways into four systems solved the railway problem in Great Britain?

The Financial Post, some months ago, put that question to an able British correspondent. Since then he has conducted an intensive survey of the problem, has interviewed scores of executives and authorities. The result of his study is this article.

Presenting all the facts in well-marshalled fashion, the article will probably be disappointing both to the more earnest propagandists for railway amalgamation in Canada and for those who are bitterly opposed to it. It contains many sentences that, torn from their context, will no doubt be bruited around the hustings by all sides of Canada's railway controversy.

One point stands out clearly: that despite aspects of similarity such as political influence and a labor problem, railways in Britain and railways in Canada are "different."

LONDON.—In 1923, as part of the effort to unravel the tangle in which Britain found herself after the war, the British railways were amalgamated.

There had been 120 railway companies in 1914 and they operated 20,000 miles of line. After Jan. 1, 1923, there were only four—the Big Four.

Counting 1923, Britain has now had sixteen and a half years of experience of amalgamation and, although the problem of rail transportation has not been solved and is, indeed, still a matter of keen controversy, several facts of interest have been proved.

Definite Developments

These may be listed as follows:

Abandonment of line or services. In this field amalgamation has proved a disappointment. Although Britain is overbuilt with railways, it has not been found possible to abandon either trackage or services. The public insistence upon the maintenance of service invariably has prevented this form of economy from being realized.

More economic operation. Amalgamation has given some opportunity for savings in this field, which British operators have seized. But it would be easy to overemphasize the effect of amalgamation in this regard.

Savings in labor charges. While the amalgamation statute in Britain forbade the railways from dismissing employees on that account, experience proves that substantial savings are possible by reason of the normal turnover in staff. There are 574,521 railway employees in Britain today, against 669,648 at the time of amalgamation. Not all of this reduction, however, is attributable to amalgamation.

Road competition. Without doubt, Parliament's interest in the railways, as a result of amalgamation, has been of substantial benefit here. The position of the railways vis-a-vis road vehicles has been improved both by the regulation and taxation of commercial vehicles and by the entry of the railways into the road business. Canada has much to learn from Britain in this regard.

Management. The beneficial effect of having four boards of directors instead of 120 is too manifest to require argument.

It is true that while most of the hopes of those who supported amalgamation in Britain have been bitterly disappointed, nobody would return to the pre-war system. The trend is unmistakable.

If further changes in Britain's rail set-up are made, they will take the form of consolidation with state operation as the ultimate goal. Inasmuch as British roads have paid little return on their shares since 1923 and face a future of growing bleakness, the opposition to such a policy would not be as great as might be imagined.

Comparison With Canada

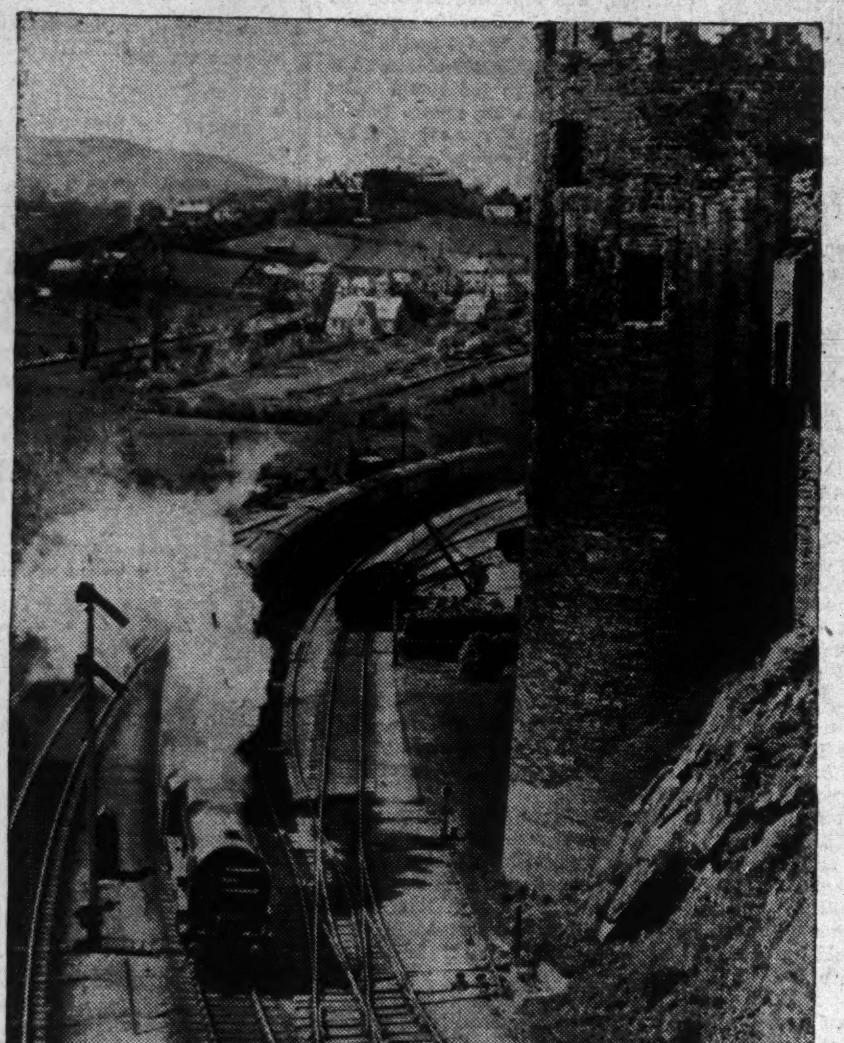
Generally speaking, it is deceptive to compare British and Canadian railway problems. To begin with, Britain is an overdeveloped country so far as railways are concerned. It is unlikely that more mileage will be needed, regardless of future industrial changes. In Canada, on the other hand, development of natural resources may add to railway mileage.

There are really no railway monopoly territories in Britain. Railways must compete with rival forms of transportation. Sixty per cent of British people are served by water, the cheapest of all forms of transport. Industrially, practically the whole of Britain has water transport at its door. And where water is not available, there are motor trucks which cover the whole of the country in a network of services. There is no area in Britain comparable as a railway monopoly territory with the Prairie Provinces, and no category of traffic comparable with Canada's long haul, east and west traffic.

In other respects, British and Canadian railways are poles apart. Britain, despite substantial reductions since amalgamation, is still one of the highest freight rate countries in the world. Canada, on the contrary, is regarded here as the lowest freight rate country in the world. Given the British rate structure, the Canadian roads would be rolling in wealth. Another difference lies in the fact that in Britain much of the rolling stock is privately owned and cannot be affected by railway policies of technical improvement.

Amalgamation Started in 1914

The story of rail amalgamation in Britain begins in 1914. The British Government took over all 120 roads within a few hours of the outbreak of war and operated them as a single unit. The roads were taken over on the basis that the companies received an annual return equal to the net receipts of 1913—$215,865,000.



The British "Big Four" operate 20,000 miles of railway lines.

Many people contend that great improvements in operation were made during this period of state control. Actually, the British Government conceded that the roads had been damaged and paid the owners $300 millions in compensation when the properties were returned to private management.

Amalgamation became an active issue shortly after the war. The Government could not continue the war-time control. But what should be done? It was unthinkable that the old order of 120 separate entities should be revived. This, nearly all agreed, would lead to chaos and chaos would lead, in turn, to renewed intervention by the Government in order that essential services would be maintained.

There was, it is true, a small group who advocated a return of the roads to their former owners, leaving it to them to work their way to a sound footing. And at the other extreme was the powerful Labor party clamoring for nationalization. The Government of the day, and most of the public, favored a middle course.

Final Policy

In 1920 the famous white paper on railways was issued, outlining a policy of amalgamation by statutory compulsion, standardization of equipment, rigid control of new construction and the finances of the amalgamated companies, representation of employees on boards of directors and so on. The white paper was more radical than the public expected and met with severe criticism. The final policy, announced in Parliament in 1921 in the form of a bill, was more moderate and aroused much less antagonism.

There were to be four companies and amalgamation was to be voluntary unless the various companies could not agree. They were given from August, 1921, when the legislation received royal assent, until Jan. 1, 1923, to agree and in the event no compulsion was necessary. Financial control and labor directors were dropped. Dismissals because of amalgamation were forbidden.

High hopes of a return of prosperity to the railways were held out not only by cabinet ministers but by responsible newspapers like The Times. Some of the estimates of the economies which would be achieved look rather optimistic in the light of what followed, but undoubtedly they were sincerely made.

The Government's estimate was $125 millions per year. It was stated in Parliament later on that a group of railway experts had informed the Government that $100 millions could be regarded as the bedrock minimum. The Times figure (June 16, 1922) was from $300 to $350 millions within a reasonable time and ultimately $500 millions.

Details of these estimates were never given, except that The Times stressed the gradual fall of the wage bill and expected a decline in the prices of materials. It is not possible to measure the saving on labor due to amalgamation for two reasons. There have been general cuts in wages since 1923 and the traffic on British railways has declined. A large reduction both in the amount of wages and the number of employees would have occurred in any event. But, nevertheless, there has been a saving due to amalgamation and a substantial one. The savings in directors' fees, salaries, superannuation and miscellaneous items of management has been placed, officially, at $6 millions per year, a substantial item.

Awaited Return of Profits

So certain were the authors of amalgamation that great profits would return to Britain's railways that the 1921 statute and schedules contained a carefully devised scheme for dividing these prospective savings between the public and the railway owners. The railways were to receive as a maximum their 1913 net receipts plus a fair return on subsequent capital investments. Profits in excess of this figure were to be divided 80% to the public in lower freight rates and 20% to the railways in greater income.

Actually, the additional profits failed to materialize and the need to cut railway rates (both to save the railways from highway and water competitors and to enable industry to sell its goods) became imperative. There were sharp reductions in both freight and passenger rates and this downward trend continued until the 5% increases of October, 1937.

The so-called standard return which the railways were to be allowed to earn works out at 4.7% on their invested capital. They have never earned it. In 1929, the best year since 1923, they earned 88% of it, but on average their income has been only 70% of the standard.

The 1921 Act carried no guarantee; Parliament has never made up the deficiency in earnings. As a result, British railway shareholders have had a very thin time. The London, Midland and Scottish—Sir Josiah Stamp's road—is a fair example. Prior to amalgamation the chief constituents of this company paid dividends of anything from 5 to 10% per year. Since amalgamation the rate has been: 1923, 7%; 1924, 7%; 1925, 6%; 1926, 3%; 1927, 4¾%; 1928, 3½%; 1929, 4½%; 1930, 2%; 1931, ¼%; 1932, 1933, 1934 and 1935, nil; 1936, 1¼%; 1937, 1½%.

Other roads are no better off and the Great Western, one of the best, passed its half yearly dividend for the first time last July 31. A year ago it had paid ½%. The Southern Railway, on July 22, declared a preferred dividend of 1% instead of 2% as expected.

The higher rates of dividend in the early amalgamation period were paid in part out of the compensation money received by the railways from the Government.

Expenses of Amalgamation

A few figures will indicate what has happened since amalgamation. It should be remembered that the "standard" receipts which Parliament hoped the railways would earn were $215,865,000 plus a fair return on capital invested since 1913. This capital investment is roughly six billion dollars, indicating how expensive the amalgamation economies have been.

Net receipts in 1923 were $228 millions. In 1924 they dropped to $195 millions and they fell steadily until 1927. By 1929 the total was back to $225 millions, but thereafter, because of the depression, receipts fell steadily to a low of $132 millions in 1932. Since then they have gradually increased to $189,500,000 in 1937. This year the trend will be adverse. Railway receipts are down and expenditures are up.

There was actually more railway traffic in 1923 than in 1937. Taking the 1923 ton mile figure as equal to 100, the indice for 1937 was 97. On the other hand, as between 1923 and 1937, the operating expenses fell by $123,500,000. How much of this improvement is the result of amalgamation, however, is impossible to say. A substantial part of it undoubtedly is the fruit of technical improvements in power and rolling stock and of the resolute competition offered by the railways in the road traffic.

Other Side of Picture

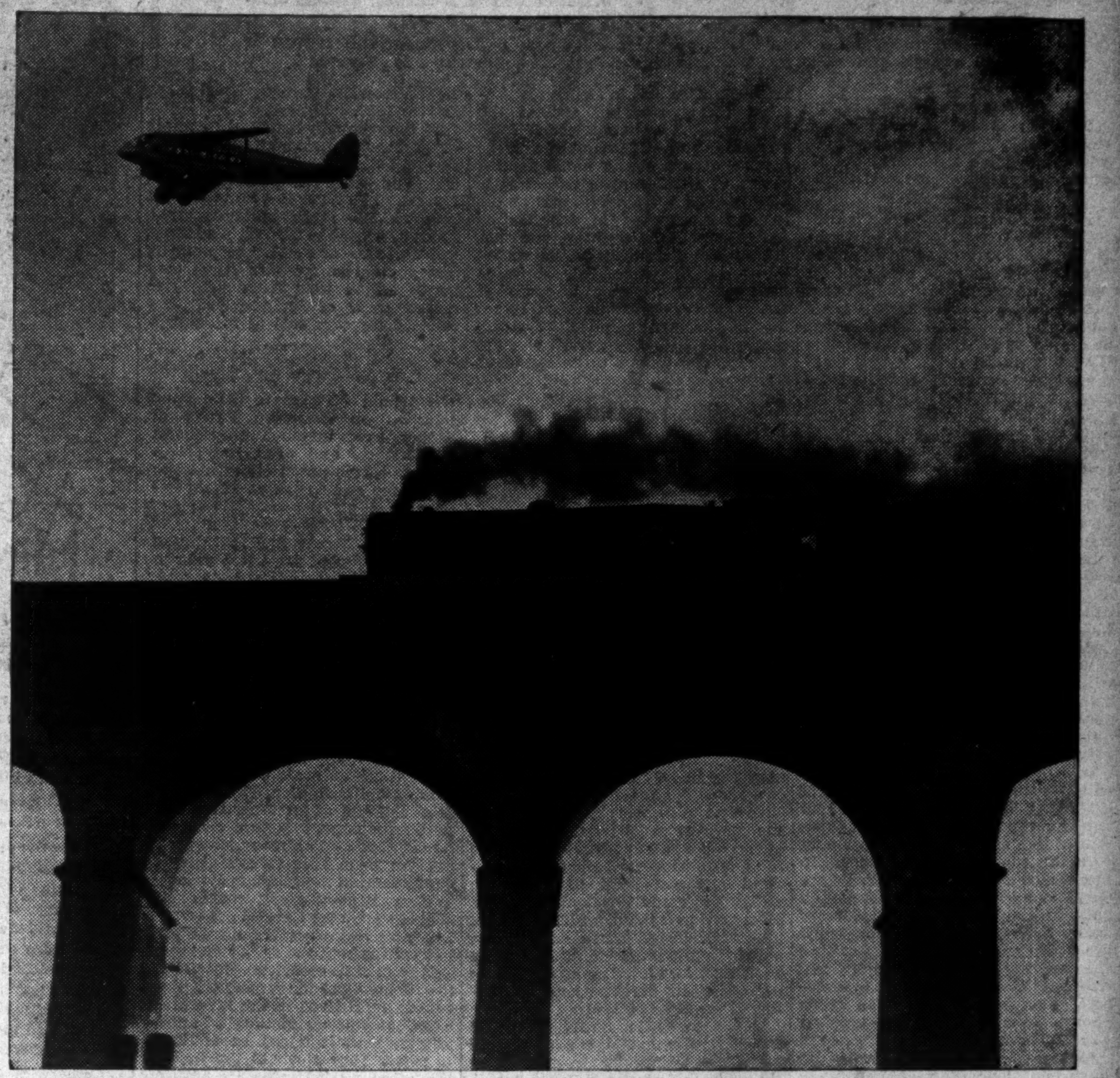
Now the reverse side of the picture would be to ask how the 120 railways would have functioned under these conditions. Obviously they could not have remained solvent. Not only would dividends have ceased, but operating deficits would have become unmanageable. There would have been wholesale railway bankruptcies, and while some of the weaker lines might have been taken over by the stronger, the chances are that scores of bankrupt roads would have had no asset worth buying.

At this point the state would have had to step in, because the one thing that British experience proves beyond a doubt is that political pressure in behalf of transportation service is irresistible. Not only is it so strong that Parliament will not allow services to be discontinued, but it is equally potent in preventing real economies from being made either by way of abandonment of unprofitable mileage or of redundant terminal or other services.

When the record of British roads is studied, it will be seen that amalgamation did facilitate the technical improvements which have been made. Amalgamation meant the stringing together of railways, end to end, until single companies operated the full distance north or south, east or west. It meant that the L. M. S. operated straight through from London to Aberdeen, instead of stopping at Carlisle. This undoubtedly stimulated the development of faster, longer-run locomotives. In 1923 there were 23,879 steam locomotives on British roads. Today there are only 20,807. The increase in electrics from 631 to 1,388 does not begin to offset the savings in steam.

But so far as eliminating the duplicatory mileage, the amalgamation

(Continued on page 16)



Amalgamated British railways have never earned the so-called standard return.

Weakness Seen in Canadian Showmanship

Dominion Glasgow Exhibit Reported Lacking in Drama and Imagination

By H. L. SOUTHALL

Editor-in-chief for Business Newspapers, The MacLean Publishing Company, Ltd.

The Canadian Pavilion at the Empire Exhibition in Glasgow has some good points, and in some respects is an improvement on the one at the Paris Exposition, but it still reflects a pathetic weakness in showmanship on the part of the governmental authorities, and the business firms exhibiting there.

This may be due to a lack of proper planning, to a lack of co-operation between these interests or perhaps it is due to failure to employ specialists in showmanship and in the art of display. The government's exhibition authorities are not alone responsible. Many industrial concerns are themselves ignorant of the general principles of publicity. As a rule, however, the industrialist knows enough to employ display specialists.

Elaborate Premises

If participation in such exhibitions is to be worth while, it must be developed in the proper manner. Canada went into the Glasgow Exhibition in elaborate premises, giving plenty of room for some striking effects, but there was little of a strikingly interesting nature to remember. The exhibits in the Pavilion included a few governmental displays, two railway displays and some 42 booths occupied by individual manufacturers. The government exhibits were interesting up to a point, but they could have dramatized subjects with such great potentialities as mining, national parks, agriculture, fruit raising, rather than merely showing chunks of mineral, bags of flour, some boxes of unattractive looking apples (because they were out of season), and some moth-eaten stuffed animals peering out from between the leaves of potted palm trees.

The manufacturers' booths featuring a wide variety of merchandise from soup and canned goods, to toys and washing machines, created the impression that here were Canada's manufacturers competing with each other for business in the local market, much as they would be doing at any exhibition in Canada. This seems fundamentally wrong, for while individual manufacturers must go after business for themselves, the problem in Great Britain is, firstly, one of Canada against the world, not Canadian manufacturers against each other.

Lack of Co-operation

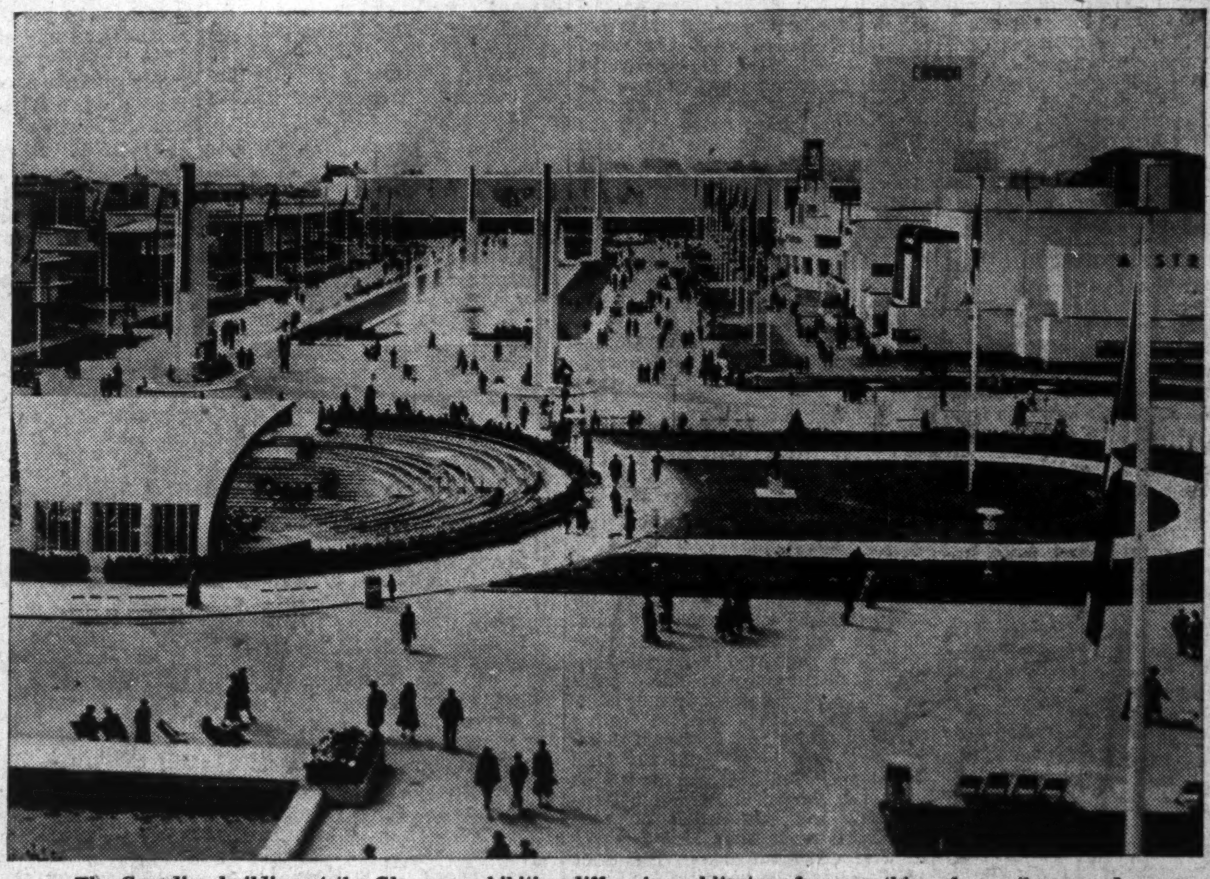
There is a distinct lack of co-operative effort among concerns having similar interests. Some exhibits such as lumber and bacon, are badly divided, and could have been much more effectively presented in one exhibit. Either one of these subjects would have made an effective presentation in tableau effect revealing the various stages of production, processing and fitting the products to the market.

The use of Diorama is noticeably absent in the Canadian Pavilion, yet it is perhaps the dominating feature of the exhibits in most of the other buildings at the Exhibition. It reproduces, as closely as possible, the actual conditions surrounding growth and development of a product.

The Canadian Pavilion had nothing of this in its exhibits. It was static, lacking in warmth and color.

It was noteworthy that some of the smaller buildings occupied by the Dominions and colonies were more attractive, and told their story in more vivid fashion. They were compelled to condense their story and tell it effectively in composite display which left a much more lasting impression. An examination by Canadian manufacturers and governmental officials of exhibits in many of the other buildings on the grounds, would have quickly provided a score of ideas which could have been adapted to advantage.

The United Kingdom building, for instance, was easily at the head of the list for effective presentation, because it confined its displays to a limited number of industries and subjects. Each subject was given the most vivid treatment, every device even including miniature movies and explanations by "talkies," being employed in various sections of each exhibit to present it simply and effectively. The subject itself was treated, rather than individual interests.



The Canadian building at the Glasgow exhibition differs in architecture from anything else on the grounds.

Six Objectives

Objectives of an exhibition of this kind should be to:

1. Attract tourist trade.
2. Increase knowledge of Canadian products and thus increase their sale.
3. Introduce actual products to potential customers.
4. Demonstrate suitability of certain definite grades of product, to the market.
5. Indicate sources of supply of merchandise.
6. Establish prestige for the country, showing it to be progressive industrially, to stimulate trade and attract capital for investment.

If this basis was established for the conduct of such exhibitions, there would be a definite yardstick by which to judge results.

Canada has made a big play at such exhibitions, on the primitive aspects. This may be all right to attract people, but there must be much more than that if we are to accomplish the best results in the interests of Canadian trade.

To improve the effectiveness of Canada's exhibits at future exhibitions abroad, manufacturers and governmental exhibition authorities might give consideration, either jointly or separately to:

1. Greater co-ordination of exhibits typical of our important industries and activities, making them more complete and vivid by use of the Diorama method.

2. Feature name of Canada more prominently on our products, to tie in with promotional work which is now emphasizing Canadian products. On many Canadian products the labels themselves don't adequately distinguish them as Canadian. In view of the obvious similarity of labels on some products packed in as widely separated parts of the world as Canada and Japan, the advisability of playing up the name "Canada" on labels is apparent, because, even though the name Canada may be stamped on the metal top of a can, this is not obvious where such containers are piled one on the other on a store shelf. The label is what is used for identification.

3. Develop use of some characteristic emblem identifying Canada at a glance, such as the scarlet coated mountie, in natural color. Canada's cheese, honey, condensed milk, etc., are not marked clearly enough for quick identification as Canadian.

4. Feature the interesting angles of the growth, processing and use of the product so as to leave an impression of thoroughness and quality. At Glasgow, for instance, we had two separate exhibits of lumber, each showing panels, etc., but again failing to show other uses for the lumber. If we are to develop a market in Britain for our products we must show how and where they can be used to advantage.

5. Where possible, to have a definite tie-up between marketing plans, our advertising and exhibits of Canadian products. Throughout Glasgow, Edinburgh and other cities of Scotland located near the Exhibition, there was very little effort on the part of stores to feature Canadian products. The Canadian advertising campaign from July 1 on is being concentrated almost entirely on Greater London.

6. Advisability of following up improvements in exhibits with a more effective handling of export business. Greater continuity of supply, grade standardization, and closer co-operation among groups representative of an industry for more effective presentation of their joint story. This might be accomplished by formation of an export board or boards functioning in Canada to give attention to improving export practice.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

George Weston

I am thinking of purchasing the stock of George Weston. Would you please give me some details of the company's operations?

George Weston Ltd. and its subsidiaries reports an increase in profits for the first six months of the current year. Balance available for common shares, before provision for income tax, but after deduction of bond interest of subsidiaries, amounted to $210,978, equivalent to 52 cents a share on the 404,421 common shares outstanding. This compares with $152,041 in a similar period in 1937, equivalent to 40 cents on 375,882 shares outstanding.

McCormick's Ltd. was acquired as a wholly-owned subsidiary in 1937, and as a result Weston's guarantees $1.6 million of McCormick's bonds, an obligation ranking ahead of the Weston stock.

In 1937 net profit amounted to $503,612, including McCormick's Ltd., as compared with $506,111 in 1936, not including McCormick's Ltd.

Earnings per share on the common stock were $1.02 as compared with $1.11 in 1936. Dividends are being paid at the 80 cents per share per annum rate, established with the 20 cents quarterly payment of July 1, 1936.

In June, 1938, the company made an offer to purchase the assets of Inter City Western Bakeries for an amount around $600,000. Acquisition of this chain of bakeries would give the company large interest in the Western Canadian field, where operations at present are carried on only in Calgary. The directors of Inter City Western recommended the acceptance of this offer at that company's annual meeting last week. At a special meeting of bondholders on July 29 opposition to the plan was voiced and the meeting was adjourned to Aug. 30.

George Weston has grown rapidly since its formation, acquiring a number of companies in the process. In the early years of this expansion earnings also grew rapidly but have lately been more stable.

Garfield Weston, president, whose common stock interest enables him to elect the majority of directors, declares that the outlook for the current year is favorable. Cost of material is at a low point, but is offset, to some extent, by higher wages.

Ford Motor

The stock of Ford Motor has been recommended to me for purchase. What is your opinion of this advice?

Ford Motor Company of Canada stock is generally highly regarded as an investment. The company is a leading unit in the Canadian automobile industry and also holds valuable export rights to other parts of the British Empire with the exception of Great Britain.

For the first half of 1938 it is understood that sales in units were down about 10% below 1937 while dollar volume was down less than 5%. Exports, which make up slightly less than half the company's total production, were reported to have declined about 8½% and Canadian unit sales about 13%. Outlook for the second half of this year is that exports will continue to show only a small drop from 1937 while Canadian sales will depend on business conditions and income received by farmers from this year's crops. Ordinarily about two thirds of the year's sales are made in the first six months.

The company appears to have established earning power well in excess of the annual dividend of $1 a share which is paid on both the class A and class B shares. Last year it earned $2.27 a share and $2.02 in 1936. It would apparently be unlikely that earnings will quite reach that level in 1938 but even so they will probably provide a good margin over the regular dividend requirements. The company's financial position is excellent and it is just completing a programme of expansion and building planned to increase the capacity and improve efficiency of operations. Judging from past policies, it is possible that shareholders may have to wait some time yet for an increase in dividends.

Hiram Walker

Would you please review the current position of Hiram Walker, as I am considering buying the stock?

Hiram Walker last year reported earnings of $8.29 a share, considerably above the annual dividend requirements of $4 a share. In the current year, which ends Aug. 31, the company has been experiencing some decline in sales and profits. For the nine months to May 31, 1938, net profit was equivalent to $6.58 a share on the common compared with $6.69 a share in the corresponding period a year ago. The decline, however, is apparently becoming greater as the last quarter of this period showed net profits equivalent to only $1.48 a share against $2.10. Even this drop gives no grounds to believe that the company will not cover the $4 a share annual dividend by a substantial margin this year.

The company has been carrying out a substantial programme of expansion, latest feature of which was the building of a new distillery in Scotland. Its chief market is, of course, in the United States, and for that reason sales have been subject to wider declines than would have been the case with the company operating largely in this country.

Capital required to finance the building up of inventories in the United States, and new plants both in that country and in Scotland, have been provided largely from debenture issues but the charges on these debentures do not represent a very large proportion of the earnings shown in the last few years.

Liquor companies have always been considered a fair mark for heavy taxation and control of their methods of selling is stringent. Another factor working against the market action of liquor stocks is the admitted prejudice which a large section of the public holds against stocks of such companies. In spite of this Hiram Walker is one of the leading companies in the United States and this country and has established for itself an important position in the trade. It is becoming more evident that now the period of rapid expansion in the U. S. liquor business following repeal of prohibition has ended, a period of comparative stability is to be expected.

Massey-Harris

What is the outstanding funded debt of Massey-Harris and what are the arrears on the preferred stock? Will a favorable wheat crop have any appreciable effect on the outlook for farm implement concerns?

Massey-Harris Co. has total bonds outstanding of $8.7 millions as at Nov. 30, 1937. There are no arrears of interest on these bonds. In 1936 the sinking fund provision on the company's bond issue was revised so that the company is required in the 10 years preceding the date of maturity in 1947 to retire $2.4 millions. This will leave about $6 millions of these bonds outstanding at maturity in 1947 for which the company would have to arrange funds. There is also a requirement that the company must retire $2 millions of these bonds in addition to sinking fund requirements before any dividend payments can be made on either preferred or common stock. Massey-Harris Co. has $12.1 millions of 5% preferred stock outstanding on which arrears were $36.25 a share as at Feb. 15, 1938. The company has not paid any dividends on its preferred stock since 1931.

There is little doubt but that farm implement companies will benefit substantially in the event that present prospects for a favorable wheat crop on the prairies materialize. In the first half of the current fiscal year, Massey-Harris reported an increase in sales of 6%. The company regards the prospects for the last half of 1938 with optimism, looking for a substantial increase in sales out of the expected larger crop in western Canada. There is no doubt but that much of the farm machinery in that district is in need of replacement. Sales of repair parts are also likely to show an increase.

International Hydro

Will you kindly give me some information about International Hydro-Electric System bonds 6%, 1944? I understand Gatineau 5% (56) are likely to be called before the end of the year and I would like to have information about International Hydro as I believe the two are closely allied.

International Hydro-Electric System is a holding company, controlling practically all the common stock of Gatineau Power Co. and New England Power Association. In addition it owns directly International Hydro-Electric System Corp., System Properties Inc. and other minor enterprises. Its principal holdings are in the first two companies, which have not paid any revenue into the parent company's treasury. However, Gatineau Power has just declared a dividend on its common stock which will be a considerable factor in enabling International Hydro-Electric System to maintain interest payments on its 6% debentures.

As far as can be ascertained at this time the cash revenues of International Hydro-Electric System in 1938 will be about $400,000 short of meeting interest payments. The difference will be made up by drawing upon the cash resources which amount to about $1 million. Consequently the company will carry forward into 1939 about $600,000 in cash. In that year, the revenue from Gatineau Power Co., International Hydro-Electric Corp., System Properties, etc., should be sufficient to cover debenture interest without drawing upon reserves.

Humberstone Shoe

Has Humberstone Shoe experienced a less favorable year, as the price of the stock would indicate?

Sales and profits of Humberstone Shoe Co. for the year ended July 31, will show a moderate decrease from those of the previous fiscal year, it is reported.

Principal reason given for the decline in the price of the company's shares is labor trouble which was encountered in the fall of 1937. This prevented the company from fulfilling certain contracts and there was a subsequent reduction in sales volume.

A settlement with labor was reached, granting workers union shop and overtime compensation, which it may be assumed will increase production costs.

Prices of leather fluctuated considerably during the year and the company had to absorb some losses from this source. At the end of the fiscal year, however, prices were up somewhat.

Net profits for the year ended July 31, 1937, amounted to $50,405, as compared with $57,608 in the previous fiscal year, equivalent to earnings of $2.52 and $2.88, respectively, on the 20,000 of common shares outstanding.

The company's record of earnings is one of remarkable stability, and it remains to be seen whether changing conditions will mar that record. A dividend of $2 has been paid on the common shares in the fiscal years 1933 to 1937, inclusive.

At the company's annual meeting, H. H. Knoll, president, stated that business had become more diversified, and whereas, previously, the company had been tied up to a great extent with large accounts, now about 50% of the company's business was made up of smaller accounts. A few years ago the two large contracts, which took from 500,000 to 600,000 pairs of shoes a year, accounted for over 80% of the output.

Can. Power & Paper

I would be glad to have your opinion on Canadian Power & Paper Investments Voting Trust Certificates and preferred stock. What are the prospects of holding them for some time as an investment?

Canadian Power & Paper Investments concluded its fiscal year on July 31, and the auditors' statement is not expected until the beginning of October. As the company has not issued any interim statement, it is difficult, to form an accurate opinion on the current position of this enterprise. At the end of July, 1937, the company showed an equity of $1,944 back of each $1,000 bond; $22.07 back of each preferred stock. The preferred is of no par value, but is entitled to preference of $50 a share on distribution. Consequently at the end of last July there was an equity of 44% behind each preferred share. The management has not yet been able to establish any equity behind the common stock.

With a good stock market the chances are that Canadian Power & Paper Investments should be able to improve both the equity and earnings back of its securities. But neither the debentures or preferred stock can be considered in the investment class. If you are already a security holder, then it might be advisable to retain your stock in the hope of the company bettering its position. As a possible buy, on the other hand, both the preferred and common stocks are speculative.

Great West Permanent

Can you give me a report on Great West Permanent Loan? Where could I obtain a statement of this company's position?

Great West Permanent Loan Co. is in liquidation, with National Trust Co., Winnipeg, acting as liquidator. Chief assets of the estate consist of the Marlborough Hotel in Winnipeg; Canada Block, which is the largest office building in Saskatoon, and a half interest in the Great West Permanent Building in Winnipeg. The greater proportion of farm land held is in the drought areas of Saskatchewan.

The liquidators have issued several interim reports during the time they have been acting for the estate. If you would write to National Trust Co. Ltd., 250 Portage Ave., Winnipeg, you would probably be able to obtain a copy of the latest report.

Fairchild

Please advise me what you think of Fairchild Aircraft as a current investment.

Considerable speculative interest has been aroused in the aviation stocks on the prospects of the British Government placing substantial orders for manufacture in this country. There have been continued negotiations for some weeks past between a British Commission and the Canadian manufacturers. At this time no official arrangement has been entered into and until particulars are made available, it is very difficult to appraise the merits of the individual aircraft companies. Fairchild Aircraft has been operating in Canada for several years and has established a good reputation for its machines. However, the volume of business available to the company to date has been such that no profit has been reported on the capital stock. The loss has been steadily declining and the next report is expected to show a net profit. It is to be expected that Fairchild Aircraft will share in any business placed in this country by the British Government though what influence it will have upon the company's earning power is rather difficult to say until particulars of the contract are known. Consequently the stock, at this time, cannot be considered as other than speculative.

Dominion Coal

I would like to have your opinion on Dominion Coal preferred as to its investment possibilities.

Dominion Coal Co. preferred stock is not without attraction for inclusion in an investment portfolio where income is the consideration. At the current price the stock returns a relatively high yield in view of earning power. The depressed value of the stock is due principally to a fairly general feeling that operations and earnings of the company, and in turn the dividend on the preferred stock are dependent upon the continued Dominion Government rail subvention on coal shipments from Nova Scotia to the Central Canada market. This subvention has been in effect for many years and is now regarded as an integral part of the national fuel policy. Further it has been sponsored by both Liberal and Conservative Governments and there is no reason to believe that any change in policy is contemplated. Consequently the preferred stock can be bought with confidence in so far as the rail subvention is concerned.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

—Hudson's Bay Co. photo.

Thousands of young Canadians are waiting in outer offices these days, looking for jobs.

Hired to go to School

Increasing Attention by Industry to Training Youth for Special Work

This is the first of a series of four articles on the increasingly significant part of personnel training in operation of business, commerce and industry in Canada.

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

With advent of fall, thousands of young Canadians are moving into classrooms of schools and universities. Many of them are bouyed up by confidence that once their courses are completed, they will be fully qualified to take their place in the business and industrial life of the community without further training. In most cases, they are due for disillusionment.

Employers today have their own very definite ideas about schooling and specialized training. Whether they take boys from regular school, technical school or specialized university courses, they are finding that carefully planned supplementary training must be provided.

Some youths, for instance, turn to the securities dealers' field, with great assurance born of a university course in commerce and finance. If they are taken on by several Canadian investment houses, they find that they are expected to go through a further course of practical training for several years before being deemed fit to sell bonds.

Similar requirements are applied to boys who have acquired at technical school (they think) sufficient skill in a manual craftsmanship trade. Or even to young fellows who feel that a smattering of mechanics and manual dexterity is all that is needed in mass production industry.

School Before Work

In many a plant and office in Canada today, employees don't go to work when they are hired. They go to school first, undergoing a course of systematic training that may only last a few days or may continue until the employee has become a highly placed executive—even beyond that.

Time was when virtually all industrial and business establishments paid little or no attention to the selection and training of their employees. They operated on the trial-and-error system, taking what seemed the best prospects among those who came haphazardly to the notice of hiring officers. Those not already experienced in the jobs for which they were engaged, got their training as best they could by stumbling, day-to-day practice under instruction from fellow workers or foremen.

Picking of foremen mostly was based on a worker's grasp of all phases of one or more jobs, and on an aptitude for bossing other workers. Supervisors and executives rarely came from the ranks, personal friendship or relationship often counting more in their selection than special ability or training. Systematic training and development of employees, either for specific jobs or for promotion, was left almost entirely to the initiative of employees themselves. Where there was training for jobs or promotion, planned education of those in supervisory and executive capacities was practically unheard of.

Today this is still true to a considerable extent, mainly perhaps because it takes time, effort and money to support a programme of systematic selection and training of staff. But a steadily increasing number of firms in this country, and an impressive array in the United States, have well planned methods for finding the best man for the job and making sure that he is trained to perform that job. And they are finding that in the long run they spend less to maintain their systems than the intangible cost of the old hit-or-miss neglect of the problem.

Four Main Groups

Broadly speaking, methods of training workers and developing promise in individuals tends to fall into four main types, both in the United States and Canada. These groups are.

1. Training on the job, through trial and error precept from either foremen or fellow workers.

2. Printed instructions as to company policies and regulations, and how to perform specific types of work.

3. Classes or planned systems of training conducted directly by the company.

4. Facilitating instruction and general education through outside institutions — technical schools, correspondence schools, university extension departments.

The problem of evolving and maintaining a plan of personnel training breaks down, however, into a more diffuse array of considerations. Not only must the type of education be decided on and worked out, but some attention must be given as to what groups of employees are to be benefitted.

In this connection, an interesting classification of employed persons was made by the U. S. labor department after study of nearly five millions placements made through its bureaus. This showed seven main groups of employees, as follows: Clerical workers, craftsmen (such as building artisans), production (factory) workers, sales people, service workers (building maintenance, etc.), physical labor workers, and administrative employees. The last group included professional and technical workers.

What the intangible cost may amount to when the problem is ignored, was indicated recently by the estimate of a Toronto psychologist and educator that it cost a large Canadian firm $300 per employee to "find round pegs for round holes and square pegs for square holes." This reflects chiefly the loss of efficiency from:

1. The often protracted process of shifting a man from job to job until his aptitudes are discovered.

2. Setting a man to learn a job without preliminary training or systematic instruction on the job.

3. Constant replacement of men found valueless after weeks or months of haphazard experimentation.

4. The misdirection and fostering of unrest often resulting from the appointment of untrained, poorly selected men as supervisors and executives.

The educator made his estimate in support of the wider use of the "I.Q." (intelligence quotient) method of determining a man's desirability as a prospective employee. This system has, however, been sparingly used by employers as even a partial basis for selecting the most promising from among applicants for jobs, and is dubiously regarded as a guide to a man's potential ability to succeed at any job or type of job.

Most hiring officers feel that any deficiencies or superiorities which an I.Q. test might reveal, are quite as manifest through ordinary observation and enquiry. It does not take the rigamarole of an I.Q. test, employers say, to tell them whether a prospective employee has sufficient intelligence to make a good factory worker, salesman or potential executive, and it does not reveal the many other qualities besides intelligence required by particular jobs and businesses.

Specialized Training

Such employers as have taken the initiative and attempted to impart some semblance of plan to the fitting of men to jobs, are inclined to stress the continuing development of intelligence and its ability to function, rather than the basic nucleus gauged by I.Q. They prize the ability of a man to exercise what intelligence he has and apply it in performing his job, and as a primary test of this are accepting to a widening degree the standings achieved in high school, technical school or college.

Lower St. Lawrence Power Reports Higher Net Income

From Our Own Correspondent

MONTREAL. — Lower St. Lawrence Power Co. reports a net income of $68,212 available for bond interest during the seven months ended July 31. This compares with $59,613 in the same period in the previous year. Interest requirements for the past seven months totalled $42,312.

Income from operations for the first seven months of this year amounted to $180,822, as against $162,798 in the same period a year ago. Operating expenses and taxes increased to $80,610 from $73,785. This left net operating income of $100,212 compared with $89,013 last year. Depreciation reserve was increased to $32,000 from $29,400.

CANADIAN SECURITIES
Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing
DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

SAFETY DIVERSIFICATION MARKETABILITY YIELD
SOLID RESERVE
By selecting a house competent to give the best advice and counsel, by pursuing a sound investment policy, by investing systematically and regularly and by purchasing bonds to fit one's individual needs, one can build up a solid reserve in good securities to provide against the non-productive years of later life.
•
You are invited to discuss your investment account with us.
LAURENCE SMITH & CO. LTD.
INVESTMENT SECURITIES
VANCOUVER Royal Bank Bldg.
TORONTO Canada Permanent Bldg.
VICTORIA Arcade Bldg.
HAMILTON Landed Banking and Loan Bldg.
PORT ARTHUR and FORT WILLIAM

1832 1938
When Sending Money Away . .
Unexcelled facilities for sending funds to all parts of the world—in any amount—by radio, cable, telegraph or mail are available at any Branch of this century-old Bank.
World-wide facilities in every department of banking
The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING SERVICE
3813B

Rules in making a will
FIRST
Let us help you plan it
SECOND
Have it drawn by your solicitor
THIRD
Appoint us your Executor
THE ROYAL TRUST COMPANY

"Career Men" are being selected by this Company
NOWADAYS, Life Insurance forms such a large proportion of the average man's estate that he requires sound insurance counsel.
This Company, in order to assure the proper service, is confining its sales organization to men who will make a career of the business. It accepts as representatives only men who rate high in the qualities necessary for success in life underwriting.
Today London Life field men, equipped with better training, are in a position to give better service; and backed by the Company's financial strength and record of low net cost, their efforts are being rewarded with a greatly increased volume of Ordinary business.
Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Bank Debits Down in July

Decrease Shown in Total from June and from 1937

The dollar volume of business in Canada in July as indicated by bank debits to individual accounts was 8.3% lower than in the same month of 1937. Compared with the preceding month of June a decline of 9.7% was shown taking the seasonal variation into account.

Compared with July a year ago, decreases were shown in each of the five economic areas and in each of the clearing house centres. Factors in the decline were a smaller tourist trade, reduced purchasing power, and a smaller movement of grain owing to the short crop last year.

Greatest percentage recession was shown by the Prairie Provinces where bank debits were down 25½% from a year ago. The decline in the Maritimes was 6.6%, in Ontario 7.7%, Quebec 5.3% and British Columbia 5.6%.

Three cities in the Dominion recorded gains over a year ago, these being Sudbury, Brandon and Victoria.

Compared with June, while, as indicated above, there was a decline in the total in July, gains were shown by the Maritimes and British Columbia. The other three economic areas all moved to lower ground. The gain in the Maritimes was 1.5% and that in British Columbia 4.2%. The gain in the total for British Columbia was made in the face of a decline in Vancouver of 1.2%.

For the first seven months of the year, bank debits totalled $17,051 millions against $20,907 millions in the same period of 1937. The decline was $3,855 millions or 18.4%. Each of the five economic areas showed declines for the period.

The percentage of bank debits to deposit liabilities in Canada was 100.3 in July against 114.4 in the same months of last year. Deposits rose while debits declined.

Bank debits to individual accounts at the clearing house centres of Canada in July, 1938, with comparative figures for June, 1938 and July, 1937.

(In millions of dollars

Provinces and Clearing House Centres:	July, 1938 $	June, 1938 $	July, 1937 $
Maritimes:			
Halifax	30.5	27.9	32.0
Moncton	8.8	10.2	9.6
Saint John	16.7	17.0	18.4
Total	56.0	55.2	60.0
Quebec:			
Montreal	794.9	835.9	832.9
Quebec	67.0	62.3	78.1
Sherbrooke	7.0	7.6	7.2
Total	869.0	905.9	918.3
Ontario:			
Brantford	9.6	9.7	10.4
Chatham	6.9	8.2	8.7
Fort William	5.6	5.7	5.7
Hamilton	54.9	54.7	61.6
Kingston	5.7	5.8	7.1
Kitchener	10.8	11.1	11.6
London	33.0	43.9	34.3
Ottawa	114.5	102.9	128.4
Peterborough	5.8	6.1	6.0
Sarnia	6.5	6.7	6.9
Sudbury	7.6	7.1	7.2
Toronto	791.3	999.8	850.0
Windsor	34.1	41.3	39.3
Total	1,086.8	1,303.4	1,177.8
Prairies:			
Brandon	2.9	2.8	2.6
Calgary	42.6	48.1	52.2
Edmonton	34.4	35.3	34.6
Lethbridge	3.6	3.9	3.8
Medicine Hat	2.1	1.9	2.5
Moose Jaw	4.4	5.8	6.9
Prince Albert	2.1	2.2	2.4
Regina	39.6	38.1	40.1
Saskatoon	8.9	9.0	9.6
Winnipeg	152.9	164.3	239.1
Total	293.8	311.8	394.1
British Columbia:			
New W'minster	6.4	6.4	6.8
Vancouver	117.1	118.6	133.9
Victoria	37.0	28.9	29.5
Total	160.6	154.1	170.4
Grand Total for Canada	2,466.3	2,730.5	2,720.7

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Total Assets ..... $429,458,220 ($5 to £1)

Associated Bank:
Williams Deacon's Bank Ltd.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company—in volume; in strength; and in service to "select" property-owners and agents.

Home Office, Wawanesa, Man. Eastern Office: York & Harbour Sts., Toronto. Branches in Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal, Moncton.

FIRE. WINDSTORM. AUTO. CASUALTY

United States Fidelity & Guaranty Company
TORONTO

Banking

Loans and Deposits Both Higher in July

Current Loans and Loans to Municipalities Both Rise While Call Loans Are Lower — Credit Index Down Slightly

While total loans of the 10 Canadian chartered banks in July were higher by $24.9 millions than in the same month of last year, total deposits also were up by $54.8 millions. The result was that the Financial Post credit index, based on the ratio of call and current loans in Canada to public deposits, dropped 0.6 point as compared with July, 1937. It was, however, 0.3 point higher than at the end of June.

The composite return of the chartered banks to the Minister of Finance as at July 31, 1938 showed loans totalling $990.9 millions, which compared with $990.7 millions at the end of June and $966 millions at the end of July, 1937.

The increase in total loans as compared with last year was due in the main to expansion in commercial loans which were $51.4 millions higher than they were a year ago. Call loans, however, were down by $43.3 millions probably due to less speculative activity on the various markets.

Loans to the municipalities were higher in both the monthly and yearly comparison but loans to the provinces were down in both cases.

Investments were $5.3 millions higher than they were a year ago but were down $25.5 millions from the previous month. The reduction for the month is interesting and may indicate a check in the movement of bank funds into government bonds which has been such a noticeable feature of recent bank statements.

Comparative figures on the major factors affecting the Canadian credit situation are as follows:

Use of Bank Credit in Canada
In Millions of Dollars

	July 1938	June 1938	Change	July 1937	Change
Loans	990.9	990.7	+ 0.2	966.0	+24.9
Investments	1436.4	1462.1	—25.7	1431.1	+ 5.3
	2427.3	2452.8	—25.5	2397.1	+30.2
Deposits	2293.7	2310.7	—16.9	2238.9	+54.8

The cash position of the banks showed a decline of $7.9 millions in deposits with the Central Bank, reversing the trend noted in the previous month when an increase was shown. Compared with a year ago, however, there was a gain in this item.

Note circulation was down by $3.0 millions for the month and $12.5 millions for the year reflecting the gradual withdrawal of the notes of the chartered banks from circulation which will continue until total circulation is down to 25% of paid-up capital.

ASSETS

	July, 1938 $	June, 1938 $	Change $	July, 1937 $	Change $
Immediately Available Liquid Assets					
Canadian coin	4,880,408	4,982,342	—101,934	4,681,489	+198,919
Bk. of Can. notes	47,909,240	46,080,853	+1,828,387	43,587,078	+4,322,162
Bk. of Can. depos.	187,533,785	195,446,590	—7,912,805	182,516,827	+5,016,958
Bank's cash	240,323,433	246,509,785	—6,186,352	230,785,394	+9,538,039
Other bank notes	5,705,862	5,448,964	+256,898	5,918,802	—212,940
Gold & sub. coin abd.	5,246,517	4,638,784	+607,733	4,006,210	+1,240,307
Foreign banks	124,660,294	120,779,453	+3,880,841	119,633,699	+5,026,595
Foreign curr.	26,824,608	28,290,791	+1,466,183	24,292,547	+2,532,061
Gov. sec. short term	421,545,378	436,888,418	—15,343,040	429,244,917	—7,699,539
Do., long term	717,142,471	719,496,306	—2,353,835	696,641,954	+20,500,517
Call loans abroad	53,420,213	53,210,149	+210,064	73,485,094	—20,064,881
	1,594,868,776	1,615,252,650	—20,393,874	1,584,008,617	+10,860,159
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	106,648,635	110,950,858	—4,302,223	117,179,124	—10,530,489
Public secs.▲	61,378,192	60,583,515	+794,677	66,696,686	—5,318,494
Other secs.	129,767,251	134,218,772	—4,451,521	121,469,751	+8,297,500
Can. call loans	71,036,848	69,381,551	+1,655,297	114,426,462	—43,389,614
Current loans	786,366,739	785,974,554	+392,185	734,888,808	+51,477,931
Loans abroad	151,852,799	181,339,505	—29,486,706	158,463,301	—6,610,502
Prov. loans	17,030,643	19,498,371	—2,467,728	18,446,014	—1,415,371
Mun. loans	116,511,971	115,917,057	+594,914	98,207,781	+18,304,190
	1,440,593,078	1,477,864,183	—37,271,105	1,429,777,927	+10,815,151
Other Assets					
Non-curr. loans	9,865,283	9,991,660	—126,377	11,680,616	—1,815,333
Real estate	8,336,305	8,336,905	—600	8,695,439	—359,134
Mortgages	4,408,314	4,415,777	—7,463	4,250,776	+157,538
Premises	73,556,262	73,471,985	+84,277	74,514,691	—958,429
Letters of credit	61,497,458	59,043,563	+2,453,895	68,787,818	—7,290,360
Loans to comp.	11,380,557	11,455,350	—74,793	11,175,303	+205,254
Other assets	2,146,211	2,310,438	—164,227	1,975,284	+170,927
	171,190,390	169,025,678	+2,164,712	181,079,927	—9,889,537
Total	3,206,652,244	3,262,152,511	—55,500,267	3,194,866,471	+11,785,773
Note circ. dep.	5,462,755	6,144,958	—682,203	7,025,143	—1,562,388
Int. bank bal.	110,282,256	130,241,393	—19,959,137	97,044,866	+13,237,390
Gross	3,322,397,255	3,398,538,862	—76,141,607	3,298,936,480	+23,460,775
LIABILITIES					
To the Public					
Circulation	100,841,202	103,925,690	—3,084,488	113,363,675	—12,522,473
Dom. Govt.	55,147,415	98,372,323	—43,224,908	36,295,736	+18,851,679
Prov. Govt.	45,506,250	49,829,873	—4,323,623	46,941,055	—1,434,805
Deposits by Public					
Demand dep.	671,165,468	689,941,578	—18,776,110	666,767,428	+4,398,040
Savings dep.	1,622,606,061	1,620,819,977	+1,786,084	1,572,154,385	+50,451,676
Total	2,293,771,529	2,310,761,555	—16,990,026	2,238,921,813	+54,849,716
Foreign dep.	396,519,083	409,569,736	—13,050,653	427,482,612	—30,963,529
Due to Banks Abroad, Etc.					
United Kingdom	11,026,305	12,524,196	—1,497,891	13,290,353	—2,264,048
Foreign	43,735,466	42,195,219	+1,540,247	40,608,467	+3,126,999
Bills payable	351,887	251,511	+100,376	1,117,708	—765,821
Letters of credit	61,497,458	59,043,563	+2,453,895	68,787,818	—7,290,360
Other liabs.	2,875,625	2,964,388	—88,763	2,870,511	+5,114
Total public liabs.	3,011,272,220	3,089,438,054	—78,165,834	2,989,679,748	+21,592,472
Due bet. banks	16,724,339	15,966,159	+758,180	15,552,673	+1,171,666
Liability to Shareholders					
Dividends	2,552,021	1,397,993	+1,154,028	2,546,286	+5,735
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,309,798,580	3,386,052,206	—76,253,626	3,287,028,707	+22,769,873
Credit index*	37.3%	37.0%	+0.3%	37.9%	—0.6%

▲Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Weekly Bank Clearings

	Aug. 25 1938 $	Change year ago %	Aug. 18 1938 $
Halifax	2,195,912	— 3.7	2,307,694
Saint John	1,559,284	— 7.7	1,784,723
Moncton	811,551	— 3.2	700,961
Sherbrooke	625,521	—13.5	641,607
Quebec	3,966,759	—10.7	4,672,523
Montreal	81,563,657	—14.0	89,957,771
Ottawa	14,504,460	+ 4.6	13,821,089
Peterborough	556,788	— 1.6	537,072
Toronto	84,392,803	—12.6	98,526,930
Hamilton	4,383,384	—31.5	4,870,212
Kitchener	926,768	+ 3.1	970,227
Brantford	777,593	— 0.9	781,949
London	2,101,230	—10.8	2,659,479
Chatham	386,956	—17.3	470,288
Sarnia	478,668	+ 7.6	407,950
Sudbury	994,855	— 1.0	1,007,394
Windsor	1,975,770	—33.3	2,353,520
Fort William	841,021	+16.7	761,775
Winnipeg	25,783,010	—16.2	23,733,713
Brandon	317,574	+ 3.5	346,353
Regina	3,347,641	+ 4.9	2,898,432
Moose Jaw	557,858	+24.3	540,454
Saskatoon	1,199,829	+ 9.2	1,158,100
Prince Albert	269,048	—12.4	296,912
Calgary	4,213,914	— 7.4	4,411,629
Medicine Hat	154,988	—20.9	179,729
Lethbridge	421,946	— 9.0	458,171
N. W'minster	639,991	—10.7	612,856
Vancouver	15,586,375	+ 1.0	16,135,828
Victoria	1,530,759	— 1.6	1,601,449

Dr. Marvin Leaves Royal Bank Staff

Dr. Donald M. Marvin, for 14 years economist of the Royal Bank of Canada, is leaving that institution to accept an appointment as professor of economics at the University of Illinois, Urbana, Ill.

During the time that he was with the Royal Bank Dr. Marvin was widely known as the editor of the bank's "Monthly Letter," Business Conditions in Latin America and the West Indies" and "Canadian Business Conditions." He also wrote "Canada and the Twentieth Century." In 1936 he was vice-president of the American Statistical Society and represented the Royal Bank at a conference of commercial bank economists in Eastbourne, England as a guest of the Midland Bank.

At the University of Illinois Dr. Marvin will be teaching banking.

Life Insurance Sales Decline

Total Ordinary Business in July Amounted to $30,126,000

Sales of new ordinary life insurance in Canada and Newfoundland in July amounted to $30,126,000 compared with $32,040,000 in the same month of 1937.

The figures are based on returns to the Life Insurance Sales Research Bureau from 18 companies having 87% of the total insurance in force.

They are exclusive of group and wholesale insurance, annuities, pension bonds without insurance, reinsurance, revivals, etc. and were given out by the Canadian Life Insurance Officers Association. The decrease in the total is equivalent to about 5.9%.

Detailed sales by provinces were as follows:

	July 1938 $	July 1937 $
British Columbia	2,592,000	2,672,000
Alberta	1,290,000	1,230,000
Saskatchewan	794,000	1,006,000
Manitoba	1,863,000	1,784,000
Ontario	13,219,000	13,947,000
Quebec	7,868,000	8,553,000
New Brunswick	709,000	1,001,000
Nova Scotia	1,215,000	1,319,000
Prince Edward Island	225,000	205,000
Newfoundland	351,000	321,000
Total	30,126,000	32,040,000

Details of sales by months since January, 1935, are as follows:

Ordinary Life Sales
(a) Sales by Month, 1935-1938
($ 000 omitted)

	1935	1936	1937	1938
Jan.	32,988	33,347	27,789	30,606
Feb.	28,716	28,834	30,619	31,204
Mar.	31,416	30,552	32,322	32,796
Apr.	28,900	28,876	32,562	29,981
May	27,423	28,411	31,916	30,342
June	32,112	31,247	37,908	35,120
July	32,155	31,396	32,040	30,126
Aug.	26,854	23,547	28,411	.....
Sept.	26,696	28,090	27,730	.....
Oct.	30,416	29,402	33,416	.....
Nov.	35,158	36,710	38,020	.....
Dec.	36,550	34,146	37,125	.....

Bank Chat

Eighty years of service to the people of Lindsay and the surrounding district was completed by the Bank of Montreal in that town recently. The bank commenced business there on Aug. 22, 1858. The present premises were purchased in 1878 and have since been considerably altered and enlarged. The first manager of the branch was Hartley Dunsford, who was in charge for 19 years. Other managers since that time have included H. J. Lytle, H. B. Black, A. E. Taylor, C. A. Thompson and H. A. Fleury. J. E. Hamilton, present manager, took charge in June, 1932, when Mr. Fleury was transferred to the Parliament Street branch at Toronto.

* * *

The death at Port Hope, Ont., recently of James Phillips removed a figure well known in banking circles. Mr. Phillips was born at Cobourg, educated there and entered at Toronto the service of the Standard Bank of Canada, which was later taken over by the Canadian Bank of Commerce. For a time he served at Brighton, Ont., and later was appointed as inspector. This position he held until his retirement some years ago.

Bank of Canada Weekly Statement

Foreign exchange holdings (Sterling and U. S. dollars) in the Bank of Canada on Aug. 24 at $28,115,491 were $3,758,000 above those shown in the statement for the week previous. The increase was attributed to export of gold from Canadian mines. An increase of $4,327,000 in the deposits of the Dominion Government with the central bank was ascribed to the same cause. Total investments of the bank including Dominion and provincial securities were down $2,404,000 the largest part of the decline here being due to investments in short-term Dominion and provincial issues.

Balance Sheet

	Aug. 24 1938 $	Aug. 17 1938 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	159,768,291	159,639,087
Rest fund	1,348,414	1,348,414
Depos.: Dominion	14,338,838	10,012,147
Banks	202,374,002	202,474,996
Other	1,228,089	1,519,482
Total deposits	217,940,929	214,006,625
All other liabs.	3,527,550	7,100,357
Total liabs.	387,585,184	387,094,483
Assets		
Reserve: Gold	180,499,309	180,639,704
Res. in sterling and U. S.	28,115,491	24,356,712
Other curr.	828	912
Total reserve	208,615,628	204,997,328
Subsidiary coin	319,577	334,770
Investments:		
Dom. govt. short	121,662,076	123,641,876
Other Dom. govt.	52,312,879	52,736,988
Total invest.	173,974,955	176,378,864
Premises	1,682,660	1,681,056
All other assets	2,992,364	3,702,465
	387,585,184	387,094,483
Reserve ratio	55.23%	54.86%

Insurance

Action Is Deferred On Suicide Clauses

Conference of Insurance Superintendents Holds Decision in Abeyance—H. G. Garrett Elected President

From Our Own Correspondent

VANCOUVER.—H. G. Garrett, superintendent of insurance for British Columbia, was elected president of the Association of Provincial Insurance Superintendents at the annual convention held in Victoria.

Other officers elected were: vice-president, E. B. MacLatchy, New Brunswick; secretary, Hartley D. McNairn, Ontario. Attorney-general W. J. Major of Manitoba was named honorary president.

The conference decided to hold in abeyance action on suicide clauses in insurance policies. Although favoring a draft section which would permit payment of claims to beneficiaries in case of suicide, it was suggested that further consideration should be given the matter.

Fire Insurance Terms

Regarding fire insurance, the superintendents recommended that limitation of term to one year on mercantile and manufacturing risks should be removed, and that there should be no specific limitation which will apply to any fire insurance policy in regard to the term for which it is written.

Arthur E. Fisher, superintendent of insurance for Saskatchewan, in his presidential address, referred to briefs relating to supervision of insurance presented to the recent Rowell Commission. These views, he said, varied somewhat in regard to jurisdiction.

Life Insurance Helped

The financial situation of the last few years had a marked effect on life insurance business, especially in the West, Mr. Fisher stated. In Saskatchewan, life insurance companies had paid to policyholders $68,000,000 of which only $10,500,000 was in death claims. Life insurance policies had been of great assistance to holders in time of need, he said.

Life companies also had contributed their share in rehabilitation through voluntarily writing off of large amounts of farm debt in the western provinces, Mr. Fisher pointed out.

Criticism of business methods employed in life insurance had been due to and had received attention almost entirely because of lack of knowledge of the underlying principles of life insurance, the president asserted.

Valuation of Securities

Some interesting discussions took place regarding the valuation of securities held by insurance companies. Representatives of fire and casualty companies submitted a proposal that valuation of their securities should be on the basis of straight market valuation rather than on an amortized basis as at present.

In a brief submitted by the All Canada Insurance Federation it was recommended that the securities of all other than life companies should be valued at current market values irrespective of book values.

The matter was left to be taken up by a committee comprising representatives of the superintendents and of the companies.

Regulation of Agents

The licensing and regulation of all insurance agents was the subject of a special report submitted by Georges Lafrance, superintendent of insurance for Quebec, and E. B. MacLatchy, superintendent of insurance for New Brunswick.

Recommendations were made by the two superintendents that in centres of 10,000 or over no part-time agents shall be licensed except for a probationary period not exceeding one year.

It was also recommended that the conference go on record as being opposed to the granting of a license to any person (a) Who is in a position to coerce or influence business by reason of occupation, e.g., foreman, etc.; (b) Who, by reason of occupation, is in a position to obtain information regarding the financial position of residents of the district which is not available to the general public, e.g., paymasters, timekeepers, town clerks, etc.; (c) Who, by reason of occupation, is unable to give time and service to the public throughout the year, occupation and remuneration to be taken into consideration in considering such applications, e.g., lumbermen, pilots, et.

Full-time Agents

It was also recommended that the appointment of desirable full-time agents is to be preferred. Apart from the standpoint of coercing or controlling business, any part-time agent should be of a type who will actively canvass for business in the field and provide service to the public. An insurance office employee who presently holds a license, on applying for the renewal of such license, should sign an undertaking that he intends to become a full-time agent at a date not later than Jan. 1, 1940.

Later pronouncement on the recommendations will be made it is expected.

Insurance Problems

Disability Insurance

Some years ago I bought some life insurance with a total disability clause in it whereby in event of my becoming totally disabled I would receive an annuity of $10 per $1,000 of insurance monthly. The company with which I took out this policy has since then ceased to write this class of insurance. I would ilke to take out some more. Do you know if there are any companies still writing total disability insurance?

There are still some companies writing disability insurance including a monthly annuity in this country although many discontinued it some years ago. The coverage given for disability insurance varies with different companies. In most we understand it simply amounts to a waiver of premium during the time of disability. In others there is still an annuity available but here again the amount of the annuity per month varies. There is also a clause generally included that an insured can buy only disability insurance in a certain set proportion to his average income over a term of years. Owing to the danger of the coverage being abused, companies usually are conservative in regard to individuals to whom they sell this type of policy.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

H. J. FUKE, accountant at Oshawa, Ont., to be manager at Markham, Ont.

J. P. WATSON, assistant manager, Ottawa, to be manager at St. Catherine and Metcalfe Streets, Montreal.

J. SHAW, accountant, Ottawa, to be assistant manager of the same branch.

A. L. SMITH, manager at Markham, Ont., to be manager at Southampton, Ont.

Coast to Require Liability Insurance

VANCOUVER.—British Columbia motorists may be compelled to take out public liability insurance under legislation planned for the fall session of the legislature.

Under the legislation now being discussed, auto drivers held responsible for accidents may be liable for seizure of their cars which would be sold to satisfy the damage claims.

The proposed law will also compel all automobile finance companies to carry public liability insurance on their cars while they are being sold on an installment basis since the claim on an injured motorist will come ahead of any mortgage.

In a sense, the law does not provide for compulsory insurance, but it will amount to the same thing under certain circumstances.

Insurance Notes

Fire losses in Quebec City during July amounted to $6,911, against $29,968 for the same period last year. Fire losses in the city represented $1.22 per capita during the first seven months of 1938.

* * *

At the closing session of the 32nd annual convention of the Honorable Order of Blue Goose International at Los Angeles last week, C. J. Malcolm of the Ontario pond was elected guardian of the nest. Mr. Malcolm, familiarly known as "Cliff," is special agent for Ontario of the Aetna Fire Insurance Company.

* * *

The annual convention of the Production Clubs of the Equitable Life Insurance Company of Canada was held at Honey Harbor. It included a cruise through the 30,000 Islands of Georgian Bay. Leading members of the Production Clubs of the company are: W. G. Lawson, Hamilton; G. E. Kebby, Kirkland Lake; G. E. Walker, Fort William, and R. T. Irwin, Woodstock.

FIRE and WINDSTORM

DIRECTORS and OFFICERS
HON. D. L. CAMPBELL, M.L.A.
P. D. McARTHUR
ROBERT McDERMOTT
JAMES McKENZIE
J. C. MILLER, K.C.
ARTHUR SULLIVAN, K.C., Wpg.
JOSEPH TRIMBLE
M. G. TIDSBURY, President
R. H. MUIR, Vice-President
A. G. HALL, Treasurer
A. H. THORPE, Manager-Secretary

THE SHIELD OF PROTECTION
PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
ESTABLISHED 1884

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND
Supreme Chief Ranger.
HEAD OFFICE, TEMPLE BUILDING,
TORONTO, CAN.

THE MONARCH LIFE ASSURANCE COMPANY
ESTABLISHED 1906
A STRONG PROGRESSIVE COMPANY
OFFICES FROM COAST TO COAST

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office:
Toronto, Ont.
ALL PROFITS FOR POLICYHOLDERS

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY
SERVICE SAVING SECURITY

A Sound Partnership
YOU AND THE SUN LIFE OF CANADA
HEAD OFFICE — MONTREAL

Position of Chartered Banks of Canada as of July 30, 1938, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	22,872,996	19,587,437	7,451,598	....	188,033,340	435,903,412	58,335,987	2,610,610	2,225,336	7,140,212	160,292	9,014,336	2,339,773	731,562	39,000,000	36,000,000	831,406,897
Nova Scotia	9,776,702	4,978,860	1,101,272	....	42,298,828	151,054,699	47,047,248	2,447,492	179,664	2,304,292	67,084	5,859,659	98,902	10,807	24,000,000	12,000,000	303,225,515
Toronto	4,201,919	3,231,995	664,344	....	30,898,331	81,540,237	199,333	1,239,332	543,070	1,942,529	....	826,472	....	150,522	9,000,000	6,000,000	140,438,090
Provinciale	2,965,694	260,737	1,802,160	....	7,126,087	39,410,039	127,581	4,691	....	81,255	....	298,934	3,029	5,848	1,000,000	4,000,000	57,086,060
Commerce	17,717,892	8,764,457	12,405,839	....	144,326,627	320,271,263	59,427,236	1,374,110	2,278,157	12,588,431	22,379	20,678,911	....	607,911	20,000,000	30,000,000	650,463,219
Royal	27,034,643	12,367,272	12,809,156	....	168,431,422	320,917,605	223,421,748	184,695	1,122,700	12,460,987	43,727	19,011,295	17,775	720,878	20,000,000	35,000,000	853,543,909
Dominion	5,292,849	1,846,273	455,140	....	31,739,389	75,827,791	3,141,914	2,767,309	506,087	1,259,217	....	2,681,342	331,572	2,905	7,000,000	7,000,000	139,851,793
Nationale	5,259,599	1,127,614	426,594	....	22,784,971	102,911,521	824,427	960,969	91,955	1,226,586	58,405	810,467	84,519	145,329	5,000,000	7,000,000	148,712,963
Imperial	5,357,428	2,887,200	8,390,041	....	33,022,035	88,569,164	469,842	5,020,923	636,988	3,039,357	....	895,725	....	176,259	8,000,000	7,000,000	163,464,967
Barclay's (Canada)	361,480	95,570	106	....	2,504,438	6,200,330	3,523,767	114,208	3,442,348	1,692,600	....	1,420,317	....	....	750,000	1,500,000	21,605,167
Total	100,841,202	55,147,415	45,506,250	....	671,165,468	1,622,606,061	396,519,083	16,724,339	11,026,305	43,735,466	351,887	61,497,458	2,875,570	2,552,021	133,750,000	145,500,000	3,309,798,580

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Cir. $
Montreal	50,000,000	36,000,000	8	537,388	67,471,076	23,872,239
Nova Scotia	15,000,000	12,000,000	12	2,706,527	23,482,000	10,093,542
Toronto	10,000,000	6,000,000	10	728,507	11,641,517	4,384,439
Provinciale	5,000,000	4,000,000	6	273,701	6,084,386	3,092,849
Commerce	50,000,000	30,000,000	8	5,670,955	49,257,371	19,255,310
Royal	50,000,000	35,000,000	8	1,453,296	53,626,887	28,892,912
Dominion	10,000,000	7,000,000	10	618,506	12,098,015	5,595,314
Nationale	10,000,000	7,000,000	8	122,887	10,947,301	5,598,394
Imperial	10,000,000	7,000,000	10	588,907	9,883,563	5,748,028
Barclay's (Canada)	1,500,000	1,500,000	....	3,900	923,432	383,200
Total	211,500,000	145,500,000	....	12,704,574	245,415,548	106,916,227

▲Of this amount $39,939,622 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Gov. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,006,468	103,011	15,054,275	56,884,821	1,441,040	616,951	31,597,734	....	2,969,771	19,398,700	155,949,065	195,557,582	29,829,790	11,207,089
Nova Scotia	309,512	1,364,092	4,093,941	16,908,279	427,949	5,143,065	9,011,460	....	5,332,153	8,705,868	23,796,080	72,290,009	12,594,837	620,344
Toronto	193,817	....	2,048,272	9,376,143	260,645	78,069	5,472,171	....	128,681	2,473,381	14,660,278	44,972,968	7,583,571	34,802
Provinciale	217,045	....	1,231,692	3,496,061	259,385	60,620	1,419,170	300,713	8,348	121,069	4,359,340	8,231,103	11,516,905	....
Commerce†	787,831	319,285	6,298,003	42,892,510	838,555	1,217,637	18,424,702	....	2,361,906	17,807,519	96,206,130	123,240,079	10,474,167	26,089,080
Royal‡	1,222,730	3,459,282	9,148,859	35,387,779	1,325,343	19,396,693	21,074,304	8,636	19,211,839	36,240,165	86,341,833	168,215,991	9,762,910	23,205,686
Dominion	261,501	550	2,446,905	8,657,539	90,955	122,550	5,574,557	....	429,484	1,439,679	12,605,961	39,108,326	4,322,239	....
Nationale§	558,510	297	3,401,585	7,515,280	404,260	91,749	4,209,772	1,054,379	20,227	1,026,854	7,355,031	21,106,576	15,243,167	221,191
Imperial	320,888	....	4,121,514	5,624,552	351,875	84,233	9,465,238	617,791	350,834	1,844,802	16,693,512	37,907,791	5,310,642	....
Barclay's (Can.)	2,097	....	64,194	790,821	5,855	13,041	192,204	1,769,425	3,674,618	1,114,396	3,578,178	6,512,046	10,407	....
Total	4,880,408	5,246,517	47,909,240	187,533,785	5,705,862	26,824,608	106,531,312	3,750,944	34,487,861	90,172,433	421,545,378	717,142,471	106,648,635	61,378,192

NAME OF BANK	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	35,639,113	6,496,544	21,948,779	164,178,938	12,726,230	670,917	40,274,559	1,871,050	563,875	590,651	13,900,000	1,202,033	1,889,215	832,382,551
Nova Scotia	13,909,759	7,395,046	2,700,106	82,472,329	15,277,388	208,184	5,612,561	511,875	....	98,419	6,410,248	485,500	2,643,638	304,182,285
Toronto	4,422,221	2,670,574	....	37,261,467	....	....	6,105,714	102,036	....	40,064	3,547,039	213,239	....	142,471,633
Provinciale	2,357,776	4,279,374	....	13,863,014	....	148,675	1,876,312	86,066	617,754	342,932	2,093,703	160,050	98,079	67,444,131
Commerce†	27,759,128	16,999,230	17,241,938	147,163,574	19,760,629	6,444,953	22,025,626	3,353,987	2,599,625	1,551,715	14,708,636	1,067,000	4,333,658	652,656,027
Royal‡	33,402,899	15,125,956	8,434,438	195,884,138	103,573,104	1,418,585	18,877,674	2,996,243	2,645,582	796,150	14,983,779	1,475,000	3,927,001	858,552,927
Dominion	3,291,617	4,932,192	2,964,629	43,716,606	488,295	....	579,385	334,070	79,425	30,892	5,739,147	300,000	210,949	140,708,806
Nationale§	8,847,423	6,211,707	130,323	48,089,455	27,153	1,863,408	12,736,213	275,036	1,581,943	508,566	5,686,606	254,373	266,933	149,678,654
Imperial	127,315	6,055,924	....	52,619,036	....	6,275,921	8,423,927	325,745	248,101	359,916	6,037,014	287,349	157,108	164,506,765
Barclay's (Can.)	....	870,301	....	1,118,182	....	....	....	9,175	....	....	450,000	18,211	....	21,613,476
Total	129,767,251	71,036,848	53,420,213	786,366,739	151,852,799	17,030,643	116,511,971	9,865,283	8,336,305	4,408,314	73,556,262	5,462,755	13,526,647	3,322,397,255

---

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above Return. — Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $61,497,458 letters of credit outstanding as shown in liabilities.

STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 22

Range 1938 High	Low	Div R'te $	Aug27 Y'ld %		Sales	Last Aug. 22	Week end. Aug. 29 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	21830	3.25	3.50	2.75	2.75
29	8½	.	...	Do. pref. 6%	1745	25½	27	20½	21
38	25	.	...	Do. pref. 7%	....	(31 bid — asked)			
26½	9	.	...	Do. cert. dep.	....	(— bid — asked)			
*6½	2½	30c	...	Acadia Sugar	....	(3½ bid 4 asked)			
7	5	50c	...	Acme Glove	....	(5½ bid 7 asked)			
82	70	6.50	9.3	Do. pref.	....	(— bid 75 asked)			
11	8½	60+20c	..	Agnew Surp.	130	11	10½	10	10
110	103	7	6.5	Do. pref.	71	105	107	106	106
5½	2	.	...	Alta. Pac. Gr.	150	4½	4	3¾	4
29	10½	.	...	Do. pref.	285	29	27¾	26½	26½
127	75	.	...	Aluminium	....	(119 bid 121 asked)			
107	107	6	5.6	Do. pref.	....	(105½ bid — asked)			
3	2	.	...	Amal. Electric	25	3	2¾	2¾	2¾
30	25	.	...	Do. pref.	....	(25 bid — asked)			
26½	23	60+$1	..	Amer. Cyn. B.	....	(23 bid July 7)			
91½	47	2+1.50	3.8	Asbestos	7337	85	91½	82	83
16	11½	80+25c	6.4	Assoc. Brew.	53	16	16	15	15
111½	106¾	7	6.3	Do. pref.	....	(111 bid 118 asked)			
*6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	84c	...	Do. pref.	25	34	37½	37½	37½
101	100	5.50	5.5	Ault & Wiborg.	....	(100 bid — asked)			
				B					
164	160	8	4.9	Bk. Can. Nat.	....	(161 bid 164 asked)			
223	195	8	3.8	Bk. Montreal	144	214	213	208	208
310½	290	12	3.8	Bk. N. Scotia	128	306½	310½	310	310
249	227	10	4.3	Bk. Toronto	2	237	236	236	236
6	5	.	...	Barcelona	....	(4½ bid 14 asked)			
9	4½	96c	...	Barker's Bread	....	(5 bid 5½ asked)			
40	30	2.50	8.3	Do. pref.	....	(— bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	1095	9½	10	8	8
5	2	.	...	Do. (B)	80	4	4	4	4
2¾	1½	.	...	Bawlf Grain	200	1¾	1½	1½	1½
29	15	.	...	Do. pref.	45	29	20	20	20
2	2	.	...	Beath & Sons	....	(1¾ bid 3 asked)			
15	8	.	...	Beatty Bros. A	50	10	10	10	10
106	90	6	6.2	Do. pref.	11	97¾	101½	99	101½
105	80	7	7.2	Do. 2nd pref.	....	(— bid 99 asked)			
5¾	2	.	...	Beauharnois	2955	3¾	3¾	3	3
*107	100	4	3.8	Belding Cort.	....	(— bid 100 asked)			
135	129	7	5.3	Do. pref.	....	(— bid — asked)			
166½	146½	6	4.8	Bell Telephone	920	165	166	165	166
11¾	8	50+12½c	.7	Biltmore Hats	20	8	8	8	8
5	3	.	...	Blue Ribbon	....	(3½ bid 4 asked)			
35	28½	2	7	Do. pref.	....	(— bid 27 asked)			
25	21	1.30	5.4	Brant. Cord. pf.	....	(— bid 24 asked)			
14½	7½	1	...	Brazilian Tr.	4307	11½	12¾	10¾	10¾
7½	4½	50+50c	..	Brew. & Distil.	1894	5½	5½	5	5
6	5½	30c	...	Bright, T. G.	....	(5½ bid Apr. 7)			
80	77	6	7.8	Do. pref.	....	(— bid — asked)			
21¾	16¾	1	4.6	Brit. Amer. Oil	5666	21	21½	20½	21½
16	9	.	...	B. C. Packers	677	13½	14	13	13
34	25	2	6.4	B. C. Power A.	1061	30½	30½	29¾	29¾
5½	2½	.	...	Do. (B)	205	4	4	3¾	4
4½	2½	.	...	Bruck S. Mills	520	4	4	3½	4
60	37	2+50c	4.4	Building Prod.	157	54	57	55	56
14½	9½	60c	4.6	Burlington Steel	10	13¾	13	13	13
3	2	25c	...	Burry Biscuit	....	(— bid 4 asked)			
*60	30	3	...	Do. pref.	....	(— bid — asked)			
25	16½	1.20	5.2	Burt, F. N.	165	22½	23	22	23
				C					
85	85	.	...	Calgary Power	30	84½	85	85	85
88	83½	6	6.8	Do. pref.	....	(88½ bid — asked)			
7	2	.	...	Canada Bread	75	5	4½	4½	4½
92½	80	5	5.5	Do. pref.	....	(92 bid — asked)			
50	40	2.50+12½c▲		Do. pref. B.	50	49	49	49	49
9	4½	40c	8	Canada Bud	255	4¾	5	4½	4½
13	7	.	...	Canada Cement	870	10	10½	9	9
110	84½	4.50+2▲	.	Do. pref.	580	95½	96	94¾	94¾
27¾	26½	12½c•	..	C. & D. Sugar	1505	26½	27	26½	26½
b21½	12½	.	...	Canada Dry	9500	18½	19	17½	17½
17	9	1.25	...	Can. Forg. (A)	10	13	12	12	12
10	7½	.	...	Do. (B)	....	(9½ bid — asked			
30	30	.	...	Can. Iron	....	(30 bid Apr. 7)			
70	70	3.50	...	Do. pref.	....	(— bid — asked			
36½	28	1.50+50	6.2	Can. Malting	256	31½	33½	31½	32
20	16½	1.20	7	Can. Nor. Pr.	175	17¾	17	17	17
110	103	7	6.4	Do. pref.	55	109	110	107¾	110
72	58	3	4.1	Can. Packers	130	71	71¾	70	70
*7	1½	.	...	Can. Paving, pf.	....	(— bid 2 asked)			
150	128	8	5.9	Can. Perman.	21	136	136	136	136
7	6	50c	...	Can. Starch	....	(7 bid July 7)			
107	105	7	6.7	Do. pref.	....	(105 bid — asked)			
4½	1½	.	...	Can. Steamsh's.	158	3½	3½	3½	3½
16½	6½	50c•	...	Do. pref.	260	14	14½	12½	12½
17½	13	1.20	7.5	Can. Vinegars	65	15¾	16	15¾	16
67	47	.	...	Can. W. Cable.	20	49	50	49	49
22	15	.	...	Do. (B)	25	17	16	16	16
97	97	6.50+10▲	.	Do. pref.	10	97	110	110	110
3	1½	.	...	Can. Bakeries	....	(1¾ bid 1¾ asked)			
30	25	.	...	Do. pref.	....	(25 bid 28 asked)			
178	157	8	4.5	Can. Bk. Com.	268	177	176	174	175
2.50	1.10	.	...	Can. Breweries	3040	2.00	2.12	1.55	1.75
32	14	2	9.7	Do. pref.	1245	21	21½	19¾	19¾
41	28½	1.50+50c.		Can. Bronze	175	41	41	39½	40½
106	102½	5	4.8	Do. pref.	2	103	103	103	103
6	4	.	...	Can. Canners	235	5½	5¾	5½	5½
19	15½	1	5.4	Do. 1st pfd.	270	18½	18¾	18½	18½
9	6½	60c	7	Do. 2nd pfd.	80	8½	8½	8	8
18½	7½	.	...	Can. Car & Fd'y	9430	16½	18	14½	15
30	18½	1.75	6	Do. pref.	2016	29	30	28	28½
20	9	.	...	Can. Celanese	201	14	14½	14	14
107	90	7	7.3	Do. pref.	95	96	96	95	95
20	15	1	...	Do. Rights	35	17	18	17	17
10½	6	.	...	Can. Convert.	15	8	8½	8½	8½
76	63	4	5.6	Can. Cottons	....	(66 bid — asked)			
108	99	6	6.1	Do. pref.	10	99	99	99	99
35	21	.	...	Can. Dredge	170	25	23	21	21
102	100	6	6	Can. Fairb. pf.	....	(105 bid — asked)			
19	9	1.60	16.0	Can. For. Inv.	340	15	14½	9	9
105	100	8	8	Do. pref.	....	(— bid 101 asked)			
194	175	6	3.2	Can. Gen. Elec.	....	(185 bid 225 asked			
8½	7½	50c	5.9	Can. G. Inv.	....	(83½ bid — asked)			
4¾	2½	.	...	Can. Ind. Alc.	1630	2¾	2¾	2¾	2½
4	1½	.	...	Do. (B)	430	2½	2½	2½	2½
209	178	4.50	...	Can. Indust. B.	....	(— bid — asked)			
165	155	7	4.2	Do. pref.	....	(165 bid July 27)			
1	1	.	...	Can. Int. I. Tr.	50	1	1	1	1
*90	70	5	...	Do. pref.	....	(— bid 70 asked)			
15½	13	1	7.7	Can. Lt. & Pr.	....	(13½ bid — asked)			
10½	5½	.	...	Can. Locomo.	25	8	8	8	8
1.65	.90	.	...	Can. Marconi	1825	1.20	1.25	1.15	1.15
16	10	50+12½c	5	Can. Oil	65	11½	12½	12½	12½
123	110	8	6.5	Do. pref.	2	121	123	118	118
8½	5	.	...	Can. Pacific	13927	6½	6¾	6	6
2.50	.50	.	...	C. Pr. & Pa. In.	70	1.00	1.05	.75	1.00
10	5	.	...	Do. pref.	25	8	6	6	6
11½	3	.	...	Can. Vickers	280	9	9	7½	7½
45	15	.	...	Do. pref.	5	41	39	39	39
10	8	1	10	C. Wallpaper A.	....	(15 bid 20 asked)			
12	12	1	8.3	Do. (B)	....	(— bid 19 asked)			
52	50	2	3.8	Can. West'ho'se	....	(— bid 51 asked)			
3.50	1.95	15c	...	Can. Wineries	425	3.00	3.25	3.00	3.12
21	17	1.50	7.5	Can. Wire Box	20	18½	20	20	20
3.15	1.75	.	...	Capital Estates	....	(— bid 1.90 asked)			
104½	98½	5	4.3	Carnation, pfd.	35	101½	104½	102½	102½
6½	3	†25c	...	Catelli Food	....	(4 bid 6 asked			
10	7	75c	...	Do. pref.	50	9¾	10	10	10
2	1¾	.	...	Celtic Knit.	....	(1¾ bid May 23)			
170	170	8	4.7	Cent. Can. L'n.	....	(— bid 175 asked)			
100	99	4	4	Chartered Trust	....	(95 bid 105 asked)			
.60	.25	.	...	Chem. Research	1710	.45	.50	.45	.45
.70	.25	.	...	City Gas & El.	100	.25	.25	.25	.25
.35	.15	.	...	Claude Neon	300	.15	.20	.20	.20
1.35	1.17	12c	9.2	Coast Brew.	525	1.30	1.31	1.25	1.30
13½	6¾	.	...	Cockshutt Plow	2495	10¾	11	9¾	10
1.85	.90	.	...	Comm. Alcohol	275	1.35	1.35	1.25	1.25
4¾	4	40c	8.9	Do. pref.	100	4½	4	4	4
5	4½	10c	...	Conduits Nat.	....	(4 bid 4½ asked			
16	11½	1	6.8	Cons. Bakeries	110	14¾	14½	14½	14½
9½	3½	.	...	Cons. Paper	14973	8½	8¾	7	7
15	10	1	10	Cons. Press	5	10	10	10	10
80	70	3.50	...	Cons. Sand, pf.	....	(78 bid 90 asked)			
64½	46½	50c+50c		Cons. Smelters	5505	59½	60	59	54½
199¾	176	10	5	Consumers 'Gas	109	178	179	178	179
82	60	.	...	Corr. P. Box, p.	....	(— bid 60 asked)			
24	16	1+25c	5.5	Cosmos Imp.	....	(20 bid 22 asked)			
105	101½	5	4.9	Do. pref.	....	(104 bid 105 asked)			
20	16½	1	...	Crown Cork	105	18	19½	19	19
2	1½	.	...	Crown Dom. Oil	....	(1½ bid 2 asked)			
39	29	4.50	...	Crow's N. Coal	50	31½	32½	32½	32½
				D					
9	3	60c+10c	.	David & Fre. A	95	6½	9	8	9
.50	.50	.	...	Do. (B)	....	(.50 bid Aug. 9)			
16½	5	.	...	De Havilland	....	(10 bid 1 asked)			
71	65	.	...	Do. pref.	....	(— bid 69½ asked)			
3	3	.	...	Disher Steel	....	(2¾ bid 4½ asked)			
*18¾	15½	50c	...	Do. pref.	....	(8 bid 16½ asked)			
17½	11	1.50	...	Distill-Seagram	4445	15¾	17	15¾	16
78	66½	5	6.4	Do. pref.	142	78	77½	77½	77½
..	..	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
*95	95	5	...	Do. pref.	....	(70 bid — asked)			
212	189	10	4.7	Dom. Bank	....	(210 bid 213½ asked)			
39	21	1.20	3.3	Dom. Bridge	1696	36½	37½	33	33½
20	16	1.50	8.2	Dom. Coal, pf.	586	17¾	18½	18	18
48½	21	50c	...	Dom. Engineer.	110	40	41	40	40
44½	21	50c	...	Dom. Foundries	524	43	44½	41½	41½
102	98	6	5.9	Do. pref.	....	(99 bid — asked)			
110	96½	5	4.7	Dom. Glass	10	100	105	105	105
150	144	7	4.6	Do. pref.	....	(— bid 150 asked)			
32	32	.	...	Dom. Oilcloth	....	(31 bid — asked)			
2	1	.	...	Dom. Scot. Inv.	....	(¾ bid 1 asked)			
33	29	1.50	...	Do. pref.	50	33	33	33	33
16¾	9	.	...	Dom. St. & C.B.	8056	13½	14½	11½	11¾
8¾	4¾	.	...	Dom. Stores	110	5½	5½	5	5½
10	4½	.	...	Dom. Tar & Ch.	743	7¾	8	6½	6½
80	71	5.50	6.9	Do. pref.	35	80	80	79	79
70	58	5	7.8	Dom. Textile	90	64	64	64	64
150	143½	7	4.8	Do. pref.	....	(— bid 145 asked)			
8½	3½	.	...	Donnacona P.A.	945	7½	7½	5½	5¾
7¾	3	.	...	Do. (B)	285	6	6½	5½	5½
8½	4	.	...	Dryden Paper	250	6½	8	6	6
				E					
1½	1	.	...	East Koot. Pr.	....	(1 bid 1½ asked)			
12	8½	.	...	Do. pref.	25	11	10	10	10
1.25	.55	.	...	East. Dairies	90	1.00	90	90	90
8	3½	.	...	Do. pref.	40	6½	5½	5½	5½
17	12	1	6.5	East. Steel	20	15½	15½	15½	15½
105	99	7	6.9	Do. pref.	....	(102 bid — asked)			
54	54	7	12.9	East. Theat. pf.	....	(60 bid 84 asked)			
8	2¾	.	...	Easy Washing	100	3½	3½	3½	3½
32	24	1.37½	...	Economic Inv.	99	24	26	24	26
17	11½	1.60+60c.		Electrolux	305	15½	15½	15	15
3½	1½	.	...	Enam. & Heat.	....	(2 bid 3 asked)			
35	24	2.50	8.9	English Electric	....	(28 bid — asked)			
14	5	.	...	Do. (B)	50	9	7½	7½	7¾
6	5½	.	...	Equitable Life	....	(6½ bid 7 asked)			
8	6	60c	...	European El. A.	....	(— bid 8½ asked)			
.10	.01	.	...	Do. Warrants	....	(.01 bid — asked)			
				F					
8½	3	.	...	Fairchild Air.	2210	6½	6½	5½	5½
34	20	60c	2.5	Fam. Players	....	(— bid 23 asked)			
34	19½	60c	2.1	Do. Vot. Tr.	....	(— bid 23 asked)			
22	16	1+75c	8.7	Fanny Farmer	2340	19½	20	18½	19
15	4½	.	...	Fleet Aircraft	620	12	12	10	10
5	3	.	...	Fleury Bissell	....	(4 bid — asked)			
43	30	2.50	...	Do. pref.	....	(40 bid — asked)			
21½	14½	1	4.7	Ford Motor A.	10876	19½	21½	19½	20
.50	.40	.	...	For. Pr. Secs.	100	.50	.40	.40	.40
16	8½	50c†	...	Foundation Co.	155	12½	14½	13½	14½
20	9	.	...	Fraser Cos.	201	17	18	15	15
21½	10	.	...	Do. Vot. Tr.	2210	18	19¾	15½	15½
40	37	.	...	Freiman, pf.	....	(37 bid — asked)			
				G					
13¾	6½	20c•	..	Gatineau Pwr.	291	13½	13½	12½	12½
86½	82½	5	6	Do. pref.	155	84½	84	82½	84
5½	3	.	...	Do. Rights	1015	4½	5	4½	4½
10½	5	.	...	Gen. St. Wares	1405	6¾	8	7	7½
80	45	.	...	Do. pref.	195	70	75	75	75
72¾	52	2.50	3.8	Goodyear Tire	....	(66½ bid — asked)			
59	51	2.50	4.5	Do. pref.	65	56½	56½	56	56
13	4½	.	...	Gt. Lakes Pap.	416	9½	9¾	8½	8¾
33	16	.	...	Do. pref.	692	22	23	20	20
2¾	1½	.	...	Gt. W. Saddlery	11	1½	1½	1½	1½
25	20	75c	...	Do. pref.	15	20	20	20	20
12	9½	60c	5.7	Greening Wire	40	10½	9½	9½	9½
..	..	.	...	Growers' Wine	....	(1.30 bid 1.35 ask.)			
8½	5	†30c	...	Gurd, Chas.	75	6½	7	6½	7
106	102	7	6.6	Do. pref.	....	(— bid — asked)			
8¾	5	.	...	Gypsum, Lime.	2190	6½	6¾	5½	6
				H					
9½	5	.	...	Ham. Bridge	175	7½	8	7½	7¾
53	32	.	...	Do. pref.	....	(— bid 45 asked)			
34	27	2+50▲	6	Ham. Cot., pf.	....	(— bid 31½ asked)			
1½	1	.	...	Ham. U. Theat.	....	(¾ bid 1 asked)			
55	50	6	12	Do. pref.	....	(50 bid 55 asked)			
4	2¾	20c	5.7	Harding Carpet	50	3½	3½	3½	3½
*5	2½	.	...	Hillcrest Coll.	....	(— bid 2½ asked)			
*25	12	.	...	Do. pref.	....	(— bid 25 asked)			
17½	13¾	1	6.6	Hinde & Dauch	410	15¾	15¾	14½	14½
20	20	.	...	Holt Renfrew	....	(— bid — asked)			
50	50	.	...	Do. pref.	....	(— bid 55 asked)			
.60	.30	.	...	Honey Dew	....	(.30 bid .55 asked)			
14	8	.	...	Do. pref.	....	(8 bid 12 asked)			
18	10	.	...	H. Smith Pap.	131	15	15½	15½	15½
98	90	6	6.5	Do. pref.	5	91	91	91	91
25	12	2	11.1	Humberstone S.	50	18	18	16	16
15	5	.	...	Hunts (A)	....	(— bid 7 asked)			
10	5	.	...	Do. (B)	....	(4 bid 6 asked)			
75	57	4	5.3	Huron & E. Mt.	....	(74½ bid 75 asked)			
9½	6½	80c	...	Do. 20% pd.	25	8	9½	9½	9½
3½	3½	20c	...	Hydro El. Secs.	....	(4½ bid 6 asked)			
				I					
214	190	10	4.7	Imperial Bank	23	210	212	210	210
19¾	15	50+75c	7.2	Imperial Oil	8466	17	17½	16¾	16¾
15¾	13½	40+22½c	.	Imperial Tob.	5670	15½	15½	15½	15½
8	6½	6%	...	Do. pref.	....	(7½ bid 7¾ asked)			
32½	23	2	6.1	Indust. Accept.	25	31	32½	31½	32½
23	20	1.25	...	Inter-City Bak.	....	(19¾ bid — asked)			
43	40	6+2	...	Inter'c Coal	....	(40 bid — asked)			
126	120	8	6.4	Do. pref.	....	(— bid 126 asked)			
23	22½	1.50	6.5	Inter. Bronze	....	(23 bid July 29)			
27	23½	1.50	6	Do. pref.	55	25	25	25	25
.20	.20	1½c†	...	Int. Coal & C.	....	(.20 bid — asked)			
b7¾	3½	.	...	Int. Hyd. E. A.	2400	5½	6½	5½	5½
9½	4½	.	...	Int. Metal Ind.	235	7	8	7	7
81	60	6	7.5	Do. pref.	10	81	80½	79½	79½
70	70	6	8.6	Do. pref. (A)	....	(— bid 75 asked)			
102½	98½	5	4.9	Int. Mill., pf.	5	99	101	101	101
52½	37	2+25c	4.7	Int. Nickel	17243	49½	50¾	47	47
4½	1¾	.	...	Int. Paints	55	3	3	3	3
15	11	1+25c▲	.	Do. pref.	....	(10 bid — asked)			
b11¾	4½	.	...	Int. Pap. & P.	11900	9½	10½	8¾	8¾
b47½	18½	.	...	Do. pref.	23100	41	44	36¾	36¾
31½	23	1.50+1	9.3	Int. Pete.	3658	26½	26½	25½	25¾
5¾	2	.	...	Int. Power	....	(— bid 5½ asked)			
84	71	6	7.5	Do. pref.	....	(80 bid 88 asked)			
11½	10½	1.12	9.7	Int. St. Rlty. A.	....	(— bid 11½ asked)			
3½	3¾	.	...	Do. (B)	....	(3¾ bid 4 asked)			
9¾	5	.	...	Int. Util. (A)	160	9	9½	9	9
1.00	.50	.	...	Do. (B)	2100	.90	.85	.70	.70
				J, K, L					
36	32	1.75	4.8	Jam. Pub. Ser.	10	36	37	37	37
130	125	7	5.5	Do. pref.	....	(— bid 127 asked)			
15	10	1	...	Kelvinator	20	13	13	13	13
34	13	.	...	L. St. John Pr.	....	(— bid 30 asked)			
13	2	.	...	Lake Sulphite	280	3	3½	2¾	3
17½	10½	.	...	Lake of Woods	355	14	14½	13¾	13¾
120	100	7	7	Do. pref.	....	(100½ bid — asked)			
65	55	5	7.9	Landed Bank	....	(64 bid 70 asked)			
13	9	70c	5.6	Lang, J. A.	....	(8½ bid 16 asked)			
3	2½	.	...	Langley's	....	(— bid 4 asked)			
30	30	2.50▲	...	Do. pref.	....	(20 bid 45 asked)			
65	56	3	4.8	Laura Secord	10	62	63	63	63
11	7	.	...	Legare, pref.	10	10½	10¾	10¾	10¾
5	3	.	...	Lindsay, C. W.	....	(3 bid 4 asked)			
*78	60	4▲	...	Do. pref.	....	(— bid 70 asked)			
24	19½	1+12½c	4.8	Loblaw (A)	483	23½	23½	23	23
21½	18	1+12½c	5.3	Do. (B)	311	21½	21½	20¾	21
				M					
1.45	.40	.	...	Mackenzie Air.	1030	1.25	1.30	1.25	1.25
*9	8	.	...	MacKin. Steel	....	(— bid 8 asked)			
70	60	1.75▲	..	Do. pref.	....	(— bid 80 asked)			
17	7	.	...	Maclaren Pr. p.	735	13½	13¾	13	13
4	2½	.	...	M. L. Gardens	....	(3¾ bid 5 asked)			
7	4	.	...	Do. pref.	....	(7 bid 7½ asked)			
4	1½	.	...	Maple Leaf	455	4	3½	2¾	2¾
6	3	.	...	Do. pref.	50	4	4½	4½	4½
*17	15½	70c	...	Maritime Tele.	....	(15½ bid -- asked)			
*16½	16	70c	...	Do. pref.	....	(16¾ bid — asked)			
15	15	.	...	Marcus Loew's.	....	(4½ bid — asked)			
*125	115	1.75▲	...	Do. pref.	....	(115 bid Oct. 28)			
10½	4¾	.	...	Massey-Harris	4135	8½	8½	6¾	7
63	28	.	...	Do. pref.	1632	56	60½	55	58½
14	10	40c	3.6	McColl Fron.	4507	10¾	11½	10¾	10½
101	83	6	5	Do. pref.	482	99½	100	98½	99
2¾	1½	.	...	Melchers	15	1½	1½	1½	1½
6½	5½	60+20c	..	Do. pref.	33	5½	5¾	5½	5¾
2½	2½	.	...	Mercury Mills	....	(— bid 3 asked)			
19½	10	.	...	Do. pref.	....	(5½ bid 8 asked)			
50	50	2	4	Mitchell, J. S.	....	50 bid — asked)			
109	109	7	6.4	Do. pref.	....	(112 bid — asked)			
21	7½	.	...	Mitchell, Robt.	1725	20½	20½	16½	16½
*5½	4	.	...	Monarch Knit.	....	(— bid 3½ asked)			
*86	50½	.	...	Do. pref.	....	(20 bid 36½ asked)			
35	35	2	5.7	Montreal Cot.	....	(— bid 50 asked)			
106	95	7	...	Do. pref.	....	(96 bid — asked)			
1.00	.70	.	...	Mont. Is. Pr.	....	(1.00 bid 2.25 ask.)			
31	27	1.50	4.8	Montr. L. & Pr.	3767	30½	30¾	30	30½
29	27	2	7.4	Montreal Loan	....	(27 bid — asked)			
1.50	1.00	.	...	Mtl. Refrig. & S	....	(1.00 bid — asked)			
14	13½	2.25	...	Do. pref.	....	(14 bid — asked)			
62	55¾	3.20	5.5	Montreal Tele.	....	(58 bid 60 asked)			
90	68	9	13	Montreal Trams	41	69	69	69	69
38	25	1.60+40c	5	Moore Corp.	100	37½	37	36½	37
160	135	7	4.4	Do. pref. A.	76	160	160	160	160
216	179½	7	3.3	Do. pref. B.	14	210	216	216	216
.50	.20	.	...	Muirheads	....	(.10 bid .50 asked)			
4	4	.	...	Do. pref.	....	(4 bid Feb. 22)			
				N					
43	34	2	4.7	Nat. Breweries	1550	42½	42½	40	40
44	38	1.75	4	Do. pref.	150	44	44	42½	42½
7½	4½	.	...	Nat. Grocers	190	6	5½	5½	5½
126½	115	7+3.50▲	6	Do. pref.	40	118	118	118	118
20	12	.	...	N. Sew. Pipe A	....	(12½ bid 14½ asked)			
67	31	1.50	...	Nat. Steel Car	9862	64	66	58	58
210	190	8	4.1	National Tr.	12	190	193	193	193
34	24	2	5.8	Niag. W. Weav.	100	32½	34	32½	32½
1.50	1.00	.	...	North Star Oil.	150	1.35	1.35	1.25	1.25
3¾	3½	35+8¾c▲	.	Do. pref.	287	3¾	3½	3½	3½
*97½	96	6	...	N. S. L. & Pr.	....	(96 bid — asked)			
106	104	6	5.7	Do. pref.	....	(105½ bid — asked)			
15	9	.	...	N. S. Steel, pf.	....	(— bid 13½ asked)			
				O					
31	23	1	3.4	Ogilvie Flour	877	29½	30	28	28
158	145	7	4.8	Do. pref.	72	154	155	155	155
107	103½	5	4.8	Ontario Loan	....	(105 bid — asked)			
*7½	4¾	.	...	Ont. Silknit	....	(— bid 5½ asked)			
17	17	.	...	Do. pref.	....	(— bid 19 asked)			
12	5	50c	...	Ont. Steel	....	(— bid 12 asked)			
114	95	7	7.4	Do. pref.	....	(— bid 105 asked)			
2.00	1.00	.	...	Orange Crush	70	1.50	1.50	1.50	1.50
6	4	70c	14.7	Do. pref.	20	4¾	4½	4½	4½
40	24	2	...	Ottawa Car	....	(35 bid 55 asked)			
36	16	2	...	Ottawa El Rly.	109	22	16	16	16
87	79	6	7.4	Ott. L. H. & Pr.	20	82	81	80	80
101½	97	5	5	Do. pref.	....	(— bid 82 asked)			
				P, Q, R					
20	10	.	...	Pacific Coyle	....	(— bid 15 asked)			
98	77½	4+25c	4.5	Page Hersey	350	93½	94	93	94
7½	4	.	...	Pantepec Oil	50	4¾	4¾	4¾	4¾
16	15	.	...	Paton Mfg.	....	(— bid — asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
55	46	3	6.4	Penmans	10	46	46½	46½	46½
125	122	6	4.8	Do. pref.	....	(127 bid — asked)			
19	16	1	5.7	Photo Eng.	20	17½	16½	16½	16½
99¾	95½	7	7.2	Porto Rico Pr. p	....	(99 bid 99¾ asked)			
16¾	9½	†30c	...	Power Corp.	785	14½	15¾	14	14
100½	92	6	6	Do. pref.	107	100	100	99½	99½
45	44	3	6.6	Do. 2nd pref.	50	44	45	45	45
23	10	.	...	Pressed Metals	115	22	22	21¾	21¾
20	8½	.	...	Price Bros.	4387	17½	19	15½	16
55½	34	.	...	Do. pref.	180	53½	54½	52	52
7½	6¾	20c	3	Prov. Transport	....	(6½ bid 6¾ asked)			
19	14	1	5.5	Quebec Power	96	18	18	17	18
4½	3	.	...	Quebec Tele.	50	4½	4½	4½	4½
40	37	2	5.4	Real Estate L'n	....	(35 bid 40 asked)			
9¾	4	.	...	Regent Knit.	....	(6 bid 7 asked)			
25	23	1.60	7	Do. pref.	....	(21½ bid 23 asked)			
2¾	1½	30c	...	Reinhardt Brew	30	2	2	2	2
7½	3	.	...	Reliance Grain	15	6½	6½	6½	6½
12½	10½	70c+1%	.	Remington R'd.	....	(8 bid — asked)			
27	21	2	7.4	River S. Mill.	10	27	25	25	25
4½	3	.	...	Rogers Majest.	335	4½	4½	4½	4½
16	14½	1	6.2	Rolland Pap.	....	(16 bid June 15)			
18	12	.	...	Do. Vot. Trust	10	15	13½	13½	13½
102½	95	6	6	Do. pref.	35	99	99	99	99
191¾	170	8	4.2	Royal Bank	195	189	190	187	188
70	63	3	...	Russell Indust.	....	(60 bid — asked)			
110	103	7	6.8	Do. pref.	....	(104 bid 105 asked)			
				S					
103	95	5.50	5.4	Saguenay Pr. p	35	102	102	101	102
11	6½	.	...	Sarnia Br. (A)	....	(6¾ bid — asked)			
5	4	.	...	Do. (B)	....	(3 bid 6 asked)			
23	17½	80+5c	4	Shawinigan Pr.	2165	21½	21	19¾	20½
17	10	.	...	Sher. Wms.	110	14	14½	14½	14½
120	102	7	6.5	Do. pref.	30	108	108	108	108
1½	1	.	...	Silverwoods	....	(1 bid 2 asked)			
3½	1½	20c•	...	Do. pref.	145	3½	3¾	3½	3¾
10½	7½	65c	...	Simon & Son	....	(9¾ bid 10 asked)			
110	110	7	6.4	Do. pref.	....	(— bid — asked)			
18	8½	.	...	Simpson (A)	10	11	11	10	10
8½	2½	.	...	Do. (B)	....	(4 bid 6 asked)			
95	70	5+1▲	6.5	Do. pref.	36	78	80	76½	80
115	105	6	5.2	Simpson, R., pf.	5	115	115	115	15
13	11½	80c	6.6	So. Can. Pr.	285	13	12½	12	12
109	103	6	5.5	Do. pref.	20	107	108½	106½	108½
6½	2½	.	...	St. Law. Corp.	4349	5½	5½	4½	4¾
20	8½	.	...	Do. (A)	2625	17¾	19¾	16½	16½
20	17	1	5.9	St. Law. Flour	....	(17½ bid 19½ asked)			
140	140	7	5	Do. pref.	....	(— bid 140 asked)			
56½	24	.	...	St. Law. Pap. p.	591	51	55	48	48
8	3½	.	...	Stand. Chem.	60	8	8	8	8
*14½	8	.	...	Stand. Clay	....	(3 bid 10 asked)			
4½	2	.	...	St. Pav. & Mat.	265	3½	3½	3	3
27	12	.	...	Do. pref.	35	23½	23	23	23
42	40	3+75c▲	7	Stand. Steel, pf.	....	(— bid 45 asked)			
17¾	16	60+20c	4.8	Stedman Bros.	....	(16½ bid 17½ asked)			
71	56	1.75‡	2.5	Steel of Can.	1035	70½	70¾	68	68
68½	63	1.75	2.6	Do. pref.	50	67½	68½	66	66
5	4	.	...	Sterling Coal	....	(4 bid 5 asked)			
.75	.25	.	...	Stop & Shop	....	(15 bid 25 asked)			
10	10	80c	...	Stuart, D. A. pf.	10	..	10	10	10
2½	1½	.	...	Supersilk H. A.	40	2½	2½	2½	2½
3¾	2	.	...	Do. (B)	....	(— bid 3½ asked)			
79¾	73	5	6.6	Do. pref.	....	(— bid 76 asked)			
38	31	1+50c	3.9	Sup. Pete. ord.	264	37	38	34	34
36	30	1+50c	4.2	Do. com.	....	(34 bid — asked)			
				T					
16	12½	80c	6.2	Tamblyn	280	13	13	12½	12¾
52½	52	2.50	4.8	Do. pref.	....	(53 bid — asked)			
4	2	.	...	Thayers	20	4	4	4	4
27	20	3.50	...	Do. pref.	....	(24 bid 25 asked)			
.50	.25	.	...	Thrift Stores	....	(10 bid — asked)			
2	2	.	...	Do. pref.	....	(50 bid — asked)			
13½	10	60+10c	5.4	Tip T. Tailors	....	(11 bid 13 asked)			
108	100	7	6.4	Do. pref.	35	105	108	105	105
3	1	.	...	Tooke Bros.	....	(— bid 2½ asked)			
15	9	.	...	Do. pref.	....	(8 bid 10½ asked)			
18½	12	2	...	Tor. Elevators	615	15	16½	15	16
48	40	2.62½	6	Do. pref.	70	43½	44	43	44
85	73	4	5.1	Tor. Gen. Tr.	....	(80½ bid 85 asked)			
122	108½	6	5.5	Toronto Mtge.	....	(109 bid 118 asked)			
160	140	7	4.7	Tuckett Tob. p.	5	147	159	159	159
4½	3	.	...	Twin City	....	(— bid 10 asked)			
				U, V					
15½	11	80c	5.6	Union Gas	508	14½	14½	13¾	13¾
17½	15	30c	...	Un. Amuse. A.	....	— bid 18½ asked)			
13	13	30c	...	Do. (B)	....	(— bid — asked)			
1.15	1.00	5c	...	United Distill.	....	(— bid .90 asked)			
43	39	1▲	...	United Fuel, pf.	72	39	40	39	40
18¾	8	2	...	United Secs.	15	9	8½	8½	8½
7	3	.	...	United Steel	1455	5½	6½	5	5½
3	1½	.	...	Viau Bisc.	....	(2½ bid — asked)			
50	45	5	...	Do. pref.	....	(45 bid 51 asked)			
				W, Y					
20	15	1+15c	6.4	Wabasso Cot.	50	18	18	17	18
45	30½	4	9.2	Walker-Good.	1534	43¾	44½	40¾	41
19½	17	1	5.1	Do. pref.	949	19¾	19½	19	19½
2.00	1.10	5c	...	Walkerville Br.	250	1.60	1.75	1.50	1.50
2.50	1.00	.	...	Waterloo Mfg.	135	1.50	1.50	1.50	1.50
125	123½	7	5.6	W. Koot. Pr. pf	....	(115 bid — asked)			
5	3	.	...	West. C. Flour.	100	4½	5	5	5
37	28	.	...	Do. pref.	10	35	35	35	35
65	50½	3	5.9	West. Grocers	....	(49 bid 58 asked)			
115½	106½	7	6.5	Do. pref.	2	106½	107	107	107
13½	9	80c	6.2	Weston Ltd.	976	12½	12¾	12	12½
90	70	5	5.6	Do. pref.	5	90	90	90	90
4.00	.20	.	...	Windsor Hotel	....	(.20 bid — asked)			
8	7	.	...	Do. pref.	50	7	5	5	5
3½	1½	.	...	Winnipeg El. A.	95	2½	2½	2½	2½
3	1	.	...	Do. (B)	409	2	2½	1½	2
17	7	.	...	Do. pref.	45	11½	11½	11	11
93	65	1.75▲	...	Wood, A. & J. p	....	(70 bid 72 asked)			
50	40	.	...	Woods Mfg., pf.	....	(35 bid 45 asked)			
4½	3½	.	...	York Knitting	....	(4 bid 4½ asked)			

* 1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1938.
• Initial. * Stock bonus. † Interim.

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Aug. 22 (or last)	High for week	Low for week	Close Aug. 29
			A					
1	.04½	.01	Afton	17,500	.03	.03½	.03	.03½
No	.70	.35	Aldermac	31,669	.47	.50	.43	.43
1	.03½	.01	Alexandria		(.01 bid .01½ asked)			
1	.33	.10	Amm. Gold	63,450	.15	.14½	.10	.11
No	4.15	2.75	Anglo-Huronian	3,124	3.30	3.25	3.15	3.15
No	.02½	.01	Arno		(.02 bid .02½ asked)			
1	.33	.15	Arntfield	3,700	.16½	.15½	.15	.15
1	.11	.05	Ashley	43,500	.10½	.10½	.09	.09
1	.06	.06	Astoria Quebec	2,400	.06	.06	.06	.06
1	.44	.20	Augite Porc.	53,300	.30	.30½	.25	.25
50c.	.14	.05	Aztec		(.06½ bid .... asked)			
			B					
1	.27	.12	Bagamac	5,250	.19	.20	.19	.19
1	1.03	.56	Bankfield	12,472	.63	.63	.56	.56
1	.45	.20	Base Metals	5,100	.33	.36	.30	.30
No	1.45	1.00	Beattie Gold	11,000	1.30	1.32	1.12	1.12
1	.32	.17	Beaufor	1,300	.18	.18	.17	.17
1	.50	.20	Bidgood Kirk.	45,626	.33	.34	.28	.30
1	.58	.27	Big Missouri	3,025	.32	.30	.27	.30
1	.14½	.07	Bobjo	22,600	.10	.12	.10	.10
1	.13½	.06	Bouscadillac G.M.	6,700	.06	.07	.06	.07
No	10.25	8.00	Bralorne	995	9.55	9.60	9.40	9.50
1	.08	.03	Brasil Gold	1,500	.08	.07	.07	.07
1	.12	.02	Brett Trethewey	18,000	.02½	.02½	.02½	.02½
1	.10	.02½	Brownlee	1,000	.04½	.04	.04	.04
1	17.50	11.00	Buffalo Ankerite	1,186	15.75	16.00	15.00	15.25
No	.06½	.02½	Buffalo Can.	16,000	.03	.03	.02½	.02½
5	30.50	24.25	Bulolo Gold	3,905	28.50	28.50	28.25	28.25
No	.22	.09	Bunker Hill	34,600	.13½	.13½	.09	.09½
No	1.28	.74	Car. Malartic	24,600	1.00	1.03	.89	.90
			C					
1	.09½	.02	Capital Rouyn	2,500	.03½	.03½	.02½	.02½
1	2.60	1.65	Cariboo Gold	2,200	2.60	2.55	2.45	2.45
1	.15	.05	Cartier Malartic	1,800	.06	.07	.06	.06
1	1.19	.53	Castle Trethewey	5,100	.99	1.00	.90	.91
1	.62	.24	Cen. Cadillac	9,750	.34	.34	.30	.30
1	3.20	2.10	Cen. Patricia	12,790	2.60	2.60	2.33	2.33
1	.15	.08½	Cen. Porcupine	24,800	.10½	.10½	.10	.10
1	1.73	.95	Chesterville	29,150	1.20	1.23	.95	.95
No	.82	.35	Chromium	9,400	.70	.70	.63	.63
5	4.00	2.00	Coast Copper	240	2.60	2.50	2.50	2.50
1	.04½	.00½	Cobalt Contact	13,700	.01½	.01½	.01	.01
5	2.25	1.25	Coniagas		(1.38 bid 1.60 asked)			
No	1.84	1.10	Coniaurum	3,420	1.40	1.45	1.28	1.35
1	.42	.19	Con. Chibougamau	4,650	.32	.35	.30	.32
25	64.25	46.50	Cons. Smelters	5,505	59.50	60.00	54.50	54.50
			D, E					
1	.23½	.08	Darkwater	2,300	.09	.09½	.08	.08
1	.46	.17	Denison Nickel	11,100	.21	.21	.18	.18
No	35.00	27.50	Dome Mines	5,984	34.00	34.37	33.25	33.50
1	.07	.03	Dom. Explorers	2,500	.04	.03½	.03½	.03½
1	.26	.05	Dorval Siscoe	28,200	.07	.08	.07	.07
1	.07	.03	Duparquet	12,000	.04	.04	.03½	.03½
1	2.39	1.05	East Malartic	133,920	2.18	2.22	1.90	1.97
1	3.25	1.95	Eldorado	37,900	2.27	2.42	2.15	2.15
			F, G					
No	6.95	4.70	Falconbridge	3,748	6.00	6.00	5.65	5.65
1	.24	.18	Faulkenham L.G.	20,200	.23	.24	.18	.19
1	.14	.03½	Federal	39,020	.07½	.07½	.06	.06
1	.30	.18	Fernland	26,800	.24	.25	.18	.18
No	.53½	.27	Francoeur Gold	3,800	.35	.34	.32	.32
1	.20	.04	Fontana	3,000	.04	.04	.04	.04
1	.32	.08	Gillies Lake	99,200	.16	.16	.12	.12
1	.05	.02	Glenora	6,300	.03	.03½	.03	.03
No	.68	.31	God's Lake	19,886	.48	.49	.44	.45
1	.40½	.14	Goldale	15,900	.24	.28	.22½	.24
50c.	.47	.30	Gold Belt	3,000	.47	.47	.45	.47
1	.40	.16	Gold Eagle	17,700	.16	.22	.16	.17
1	.12	.03½	Goodfish	5,700	.04½	.04½	.04	.04
1	.09½	.03	Graham Bosquet	2,200	.04	.04	.03½	.03½
1	.13	.04	Granada Gold	69,500	.13	.14	.09½	.10
No	.11	.05	Grandora	6,500	.05½	.05½	.05	.05
1	.10	.03½	Grull Wihksne	8,000	.03	.04	.03	.03
1	1.09	.61	Gunnar Gold	3,500	.70	.70	.65	.66
			H, I, J					
1	.04½	.02	Halcrow Swayze	2,500	.03½	.04	.03½	.03½
1	2.93	1.10	Hard Rock	48,320	2.21	2.38	1.92	1.95
1	.17	.09	Harker	16,150	.10½	.11½	.10	.10
1	1.40	1.00	Hedley Mascot	700	1.18	1.20	1.16	1.20
5	15.50	11.00	Hollinger	6,750	15.25	13.25	14.75	15.00
1	.33	.22	Howey Gold	7,450	.26½	.26½	.26	.26
No	31.25	20.50	Hudson Bay	2,365	30.00	31.25	28.89	28.89
1	11.50	7.00	Inter. Mining		(.08½ bid .09½ asked)			
No	52.75	37.00	Int. Nickel	17,243	49.37	50.50	47.00	47.00
1	.40	.13	Jacola	19,593	.19	.19½	.14	.14
1	.60	.28	Jack Waite	15,900	.38½	.38½	.28	.33
1	.82	.33	Jellicoe	92,020	.43	.48½	.43	.40
1	.17	.09	J. M. Cons. Gold	10,206	.11	.15	.10	.10½
			K, L					
1	2.50	1.25	Kerr Addison	71,006	2.05	2.15	1.75	1.76
1	1.00	.35	Kerr Lake	500	.75	.51	.51	.51
1	.29	.06	Kirk. Gold Rand.	1,500	.08	.09	.08	.09
1	1.50	.50	Kirk. Hud. Bay	3,750	.55	.60	.60	.60
1	1.50	.95	Kirkland Lake	22,695	1.30	1.30	1.10	1.12
1	.23	.12½	Kirk. Townsite	1,225	.13½	.13½	.12½	.12½
1	.59	.25	Laguna	10,110	.27	.27	.20	.22
1	58.75	46.00	Lake Shore	6,204	53.37	53.50	52.00	52.00
1	.05	.02	Lamaque Contact	1,100	.02	.03½	.02	.03½
1	.74	.37½	Lapa Cadillac	71,600	.53	.52	.42	.42
1	1.13	.80	Lava Cap	7,200	.97	.95	.90	.90
1	.15	.05	Lebel Oro	13,900	.06½	.07	.05½	.05½
1	.03½	.01	Lee Gold	8,000	.03	.03	.02½	.02½
1	1.12	.60	Leitch Gold	26,900	.86	.86	.65	.72
No	6.00	3.20	Little Long Lac	7,745	3.45	3.60	3.20	3.25
			M					
1	5.55	3.50	Macassa	14,725	5.25	5.30	4.85	4.90
No	4.45	1.30	MacLeod Cockshutt	42,190	3.60	3.70	3.05	3.15
1	.57	.25	Madsen Red Lake	37,975	.53	.54½	.41½	.42
1	.02	.00½	Malrobic	3,500	.01½	.01½	.01	.01
No	.24	.10	Mandy	3,800	.18	.18	.18	.18
No	.04	.01½	Man. & Eastern	3,000	.02	.02½	.02	.02½
1	.19½	.09	Maralgo	11,325	.14	.13	.09	.10
5	47.87	35.50	McIntyre	9,922	46.75	48.75	46.50	46.75
1	1.29	.69	McKenzie R. L.	14,395	1.23	1.23	1.11	1.12
1	.80	.35	McKinley	406	.65	.80	.65	.65
1	.24	.10	McVittie	6,950	.15	.17	.13	.13
No	.86	.30	McWatters	9,750	.66	.66	.57	.57
5	.70	.30	Mentor Explor.		(.70 July 6)			
No	2.49	1.49	Mining Corp.	15,690	1.95	2.10	1.95	2.04
No	.04½	.02½	Minto Mines		(.02½ bid .03 asked)			
1	.03	.01	Moffatt Hall		(.01½ June 7)			
1	2.56	1.63	Monets	49,330	1.72	1.76	1.40	1.40
1	.20	.05	Montague		(.05 bid .08½ asked)			
1	.19	.10	Morris Kirk.	3,200	.10	.10	.09	.09
1	.03½	.01½	Murphy	8,500	.02½	.02	.01½	.02
			N, O					
1	.79	.13½	Naybob	160,300	.66	.67	.45	.45
No	.11½	.02	Newbec	11,800	.06	.06½	.04½	.05
1	.38	.10	New Golden Rose	7,300	.17	.17	.15	.17
5	2.15	1.55	Nipissing	2,105	1.70	1.75	1.63	1.63
No	74.50	48.00	Noranda	17,891	73.50	75.25	69.00	70.50
No	.40	.23	Nor. Canada	2,967	.38	.37	.35	.36
1	8.95	7.50	North Empire	1,200	8.85	8.65	8.60	8.60
1	.07½	.03	Norgold	9,200	.05	.06	.05	.05
1	1.14	.50	Normetal	13,370	.75	.77	.65	.65
1	5.45	2.75	O'Brien	9,570	3.55	3.75	3.20	3.20
1	.68	.30	Omega	28,697	.55	.57	.50	.51
1	1.45	.46	Oro Plata	19,600	.70	.65	.50	.50
1	.16	.05	Osisko	2,500	.14½	.14	.14	.14
			P					
No	4.70	2.90	Pamour	25,295	4.40	4.55	4.20	4.20
1	.63	.15	Pandora	9,100	.18	.21	.18	.20
1	2.70	1.55	Pato Cons. G.	3,200	2.50	2.50	2.30	2.50
1	.24½	.07½	Partanen Mal.	9,200	.14	.14	.10	.10½
1	.22	.05	Paulore	4,000	.08	.09	.07	.08
1	.02	.01	Pawnee Kirk.	1,500	.01½	.01½	.01	.01
1	.69	.38	Paymaster	14,625	.50	.50	.45½	.45½
1	.23	.12	Payore	14,100	.13½	.14	.13	.13
1	2.65	1.30	Pend Oreille	8,960	1.84	1.95	1.70	1.73
1	1.77	1.02	Perron Gold	14,450	1.47	1.50	1.31	1.36
1	.01½	.00½	Peterson Cobalt		.01	.01½	.01	.01
1	5.30	3.80	Pickle Crow	18,460	5.20	5.20	4.90	4.90
1	3.50	2.80	Pioneer Gold B.C.	3,205	3.00	3.10	3.00	3.05
1	17.25	13.25	Placer Devel.	120	15.50	16.00	15.50	16.00
1	2.65	1.37	Powell Rouyn	38,125	2.43	2.60	2.20	2.20
1	2.42	1.81	Premier Gold	10,490	2.32	2.52	2.32	2.35
1	1.93	.67	Preston E. Dome	287,620	1.76	1.78	1.39	1.45
No	.98	.50	Prospectors Air's	500	.51	.53	.53	.53
			Q, R					
1	.70	.40	Quebec Gold	1,600	.60	.55	.45	.45
No	.15	.04	Quemont	357	.13½	.12	.10	.10
1	4.55	2.50	Read Authier	3,630	2.65	2.75	2.50	2.50
1	.45	.07	Red Crest	6,300	.08	.10	.08	.09
1	.36½	.08	Red Lake		(.09 Aug. 16)			
1	.65	.39½	Reno Gold	22,295	.44	.44½	.36	.38
1	.55	.25	Reeves McD.	500	.40	.28½	.28½	.28½
1	.07	.03½	Reward	2,000	.03½	.04	.03½	.04
1	.03	.01½	Ritchie	4,000	.01½	.02	.01½	.02
1	.02½	.01	Robb Montbray	3,000	.01½	.01½	.01½	.01½
1	.24	.09	Roche Long Lac	19,005	.13	.12½	.10½	.10½
			S					
1	1.55	1.11	San Antonio	5,258	1.25	1.29	1.25	1.25
1	.34	.04½	Shawkey	31,600	.05	.05½	.05	.05
50c.	1.21	.90	Sheep Creek	5,750	.97	.97	.93	.93
1	1.80	.90	Sherritt Gordon	12,834	1.26	1.35	1.15	1.16
1	3.40	2.00	Siscoe	19,375	2.12	2.16	2.01	2.05
1	1.39	.86	Sladen Malartic	216,500	1.07	1.07	.84	.89
1	.24	.07	Slave Lake	10,100	.09½	.09	.07½	.08
No	.78	.38	Stadacona	26,797	.47	.54	.41	.41
1	.20	.09	St. Anthony	5,000	.12½	.13	.11	.11
No	.15½	.06	Straw Lake	51,200	.10½	.12	.09	.10
No	3.80	2.00	Sudbury Basin	2,725	2.55	2.70	2.50	2.50
1	.19	.10	Sudbury Contact	6,000	.11	.13½	.12	.12½
1	1.25	.80	Sullivan Cons.	16,400	1.08	1.11	1.00	1.00
1	3.60	2.60	Sylvanite	9,445	3.30	3.35	3.05	3.15
			T, U, V, W, Y					
1	5.70	4.40	Teck Hughes	7,905	4.80	4.85	4.60	4.70
1	.25	.09	Temiskaming	9,250	.11½	.11½	.10	.10
1	.38	.19	Thomp Cadillac	82,430	.22	.30	.22	.22½
1	2.90	1.78	Toburn Gold	800	2.10	2.08	2.00	2.00
1	.67	.33	Towagmac	1,000	.42	.45	.38	.38
1	2.45	.90	Uchi Gold	18,290	2.28	2.31	1.90	1.90
No	7.40	4.00	Ventures	2,255	5.50	5.80	5.30	5.30
No	8.50	1.02	Waite Amulet	44,951	5.35	6.05	4.95	5.50
1	.20	.08	Wendigo	5,600	.14	.15	.12½	.12½
No	.03½	.01	White Eagle	3,500	.01½	.01½	.01	.01
1	.08	.02	Whitewater Mines		(.03 bid .06 asked)			
1	.18	.03	Witsey Coughlan	34,300	.12	.12	.09	.09
1	.43	.19	Wood Cadillac	35,700	.25½	.27	.19	.20
No	8.20	6.50	Wright-Hargreaves	10,872	7.90	8.00	7.50	7.50
No	.30	.14	Ymir Girl	3,100	.15½	.14½	.14	.14

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Aug. 22	High	Low	Close Aug. 29
No	.12	.07	Acme Gas & Oil		(.08 bid .10 asked)			
1	.37	.16	Alta Pac. Cons.	2,000	.16½	.19½	.19½	.19½
1	.32	.13	Ajax	500	.20½	.20	.20	.20
No	1.65	.95	Anglo C. Develop	2,700	1.38	1.40	1.30	1.33
1	.15	.08	Anaconda		(.09 June 29)			
1	.16	.05	Br. Dominion		(.07 bid .012 asked)			
No	.68½	.30	Brown Oil	31,200	.32	.33	.30	.31
100	72.00	46.00	Do., pref.	10	70.00	65.00	65.00	65.00
No	3.10	1.0	Calgary & Ed.	5,975	2.30	2.35	2.10	2.11
1	.62	.25	Calmont	5,500	.32	.31	.30	.30
No	.85	.60	Commoil	1,700	.63	.70	.63	.65
No	.43	.20	Common Pete	1,400	.28	.30	.27	.28
No	.70	.37	Dalhousie	1,600	.48	.48	.45	.45
No	.73	.30	Davies Pete	5,025	.30	.33	.30½	.31
No	.15	.06	East Crest	2,800	.07	.08	.06	.06½
25c	.25	.13	Firestone Pete	1,000	.15	.13½	.13	.13
No	.90	.35	Foothills		(.60 Aug. 22)			
No	.22	.10	Foundation Pete.	11,300	.17	.16½	.15	.15
No	.35	.14	Hargal		(.14 bid .30 asked)			
No	.20	.08	High Sarcee	3,500	.11	.10	.08	.09
No	1.47	.91	Home	6,330	1.18	1.21	1.06	1.06
	.37	.15	Homestead	25,000	.23	.24½	.21	.22
1	.37	.14	Homestead O.&G.	25,000	.20	.24½	.21	.22
No	.27	.13½	McD. Segur	350	.16½	.14	.14	.14
No	.20	.06½	Mercury		(.07½ bid ... asked)			
No	.08	.04	Merland		(.05 bid .07 asked)			
1	.38	.20	Model	100	.20	.20	.20	.20
25c	.20	.12	Monarch Royalties	1,000	.12	.13	.12	.12
1	.20	.04	Nordon	1,000	.13	.12	.12	.12
No	.04½	.02½	Oil Selections	500	.03	.03	.03	.03
No	2.30	1.07	Okalta	5,250	1.30	1.30	1.15	1.15
No	.05½	.02	Olga Gas & Oil		(.02½ bid .03 asked)			
1	.17	.05	Pacalta	8,400	.05	.07	.05	.06
1	.50	.40	Petrol Oil & Gas		(.30 bid .50 asked)			
25c	.52	.30	Prairie Royalties	5,400	.35	.35½	.30	.30
No	49.00	33.75	Royalite	1,730	47.00	47.00	43.00	43.00
No	.75	.25	South West Pete.	100	.40	.35	.35	.35
No	.10	.02	South End		(.01½ bid .03 asked)			
1	.14	.14	Spooner		(.14 Mar. 9)			
25c	.25	.04	Spy Hill Royalties		(... bid .04½ asked)			
No	1.63	1.05	Texas Can.	1,725	1.39	1.40	1.30	1.30
No	.26	.12	United Oils	500	.12½	.12	.12	.12
No	1.25	.60	Vulcan		(.65 bid 1.00 asked)			
No	.34	.06	West Flank		(.07 bid .08 asked)			
50c	.15	.08	West Turner Pete	1,700	.10	.09½	.08½	.08

Vancouver Stock Exchange

Par Val.	High	Low	Company	Sales	Close Aug. 22	High	Low	Close Aug. 29
50c	.14	.06½	Aztec	4,600	.06½	.06½	.06½	.06½
1	.58	.30	Big Missouri	3,700	.31	.32	.30	.31
25c	.02½	.01½	Bluebird	1,000	.02	.01½	.01½	.01½
No	10.10	7.95	Bralorne	840	9.60	9.55	9.50	9.50
1	.04½	.01½	Bridge River Cons.		(.01½ bid .03 asked)			
1	.25	.08	B. C. Nickel	2,150	.08	.11	.09	.09
1	2.60	1.68	Cariboo Gold	1,650	2.55	2.55	2.50	2.53
No	.13	.04	Dentonia	13,300	.05½	.06½	.06	.06½
1	.09	.02	Dunwell	500	.08	.02½	.02½	.02½
No	.10½	.02	Fairview Amal.	11,600	.07	.08	.07½	.07½
1	.02½	.01	Federal Gold		(.01 bid .01½ asked)			
1	.50	.25	George Copper		(.25 bid ... asked)			
50c	.03½	.02	George Enterprise		(... bid .03½ asked)			
1	.10	.03½	Golconda		(.05 bid ... asked)			
50c	.49	.29	Gold Belt	10,200	.47½	.49	.48	.48
50c	.06½	.01½	Gold Mountain	500	.01½	.01½	.01½	.01½
50c	.12	.04	Grand View	3,000	.07	.07	.06½	.06½
1	.11	.03	Grull Wihksne	33,500	.04½	.04½	.03	.03
No	.08½	.02½	Haida Gold	4,000	.03	.03	.02½	.02½
1	1.39	1.00	Hedley Mascot	5,600	1.14	1.24	1.16	1.20
No	.05½	.00½	Hedley Sterling		(.00½ bid ... asked)			
No	.02	.01	Home Gold		(... bid .01½ asked)			
1	.02½	.01½	Indian Mines		(.01½ bid ... asked)			
1	.28	.20	Inter't'l Coal		(.28 bid .29 asked)			
50c	1.40	.72	Island Mountain	5,150	1.35	1.40	1.35	1.36
50c	1.45	.91	Kootenay Belle	3,900	1.37	1.41	1.38	1.38
10c	.04½	.01½	Lucky Jim		(.02 bid .02½ asked)			
No	.02½	.01	Mak Siccar	2,000	.01½	.01	.01	.01
10	.67½	.52	Metaline Mining		(.67½ July 25)			
1	.23	.19	McGillivray Creek		(.21½ bid .24 asked)			
No	.05½	.02	Minto Mines	9,000	.03½	.03½	.03	.03
50c	.08	.02	Nicola	4,500	.03½	.03½	.03½	.03½
50c	.05	.02	Noble Five	1,000	.02½	.03	.03	.03
1	2.50	1.32	Pend Oreille		(... bid 1.90 asked)			
No	.02½	.01	Pilot Gold	2,000	.01	.01	.01	.01
1	3.35	2.85	Pioneer Gold	900	3.05	3.05	3.05	3.05
50c	.04	.02½	Porter Idaho	1,000	.03	.03	.03	.03
No	.02½	.01	Premier Border	3,000	.01	.01½	.01½	.01½
1	2.83	1.83	Premier Gold	9,070	2.35	2.50	2.35	2.49
1	.14½	.02½	Quatsino Copper	1,800	.04	.05	.03½	.04
25c	.11½	.06½	Quesnelle Quartz	9,500	.09	.09½	.09½	.09½
50c	.07	.04	Red Hawk		(.04 June 28)			
1	.25	.14	Relief Arlington	6,000	.10	.17½	.16½	.17
No	.56	.25	Reeves McDonald	1,300	.35	.28½	.28½	.28½
1	.63	.39	Reno Gold	2,050	.43½	.44½	.39	.39
1	.06½	.03½	Reward Mining		(.04 bid .04½ asked)			
1	.03½	.01	Rufus Argenta	5,000	.01½	.01	.01	.01
1	.03	.01	Ruth Hope		(.02 Aug. 18)			
1	.08	.03	Sally Mines		(.04 bid ... asked)			
50c	.16½	.05	Salmon Gold	5,000	.10½	.12	.11	.12
50c	1.20	.92	Sheep Creek	5,800	.95	.96	.93	.93
1	2.20	1.50	Sihak Premier	1,659	1.80	2.08	1.75	2.00
No	.04½	.01	Silvercrest		(.01 bid ... asked)			
1	.17	.12	Sunloch		(.15 bid ... asked)			
No	.17	.13	Surf Inlet		(.14 bid .17 asked)			
1	.22	.21	Standard Silver		(.22 Apr. 1)			
10c	12.65	11.75	Sunshine		(11.75 Apr. 13)			
No	.05½	.02½	Taylor Bridge		(.03 bid .03½ asked)			
No	.21	.06½	Vidette Gold	2,000	.07½	.08	.07	.07
50c	.01	.00½	Waverley Tangier		(.00½ bid .00½ asked)			
20c	.03½	.01½	Wellington		(.01½ bid .02 asked)			
50c	.10½	.02	Wesko	5,000	.02½	.02½	.02	.02
1	.02	.02	White Eagle		(.01½ bid .02 asked)			
1	.08½	.03½	Whitewater	1,000	.04½	.04	.04	.04
No	.29	.14	Ymir Yankee Girl	1,800	.15	.16	.14½	.16

Oil Stocks

Par Val.	High	Low	Company	Sales	Close Aug. 22	High	Low	Close Aug. 29
1	.35½	.16	Alta Pac. Cons.	2,100	.16½	.18	.17½	.18
1	.08	.00½	Amalgamated	5,000	.01	.01	.01	.01
No	1.58	1.00	Anglo C. Develop	600	1.38	1.38	1.35	1.35
1	.14	.07	Anaconda	1,000	.07½	.07½	.07½	.07½
No	.08	.04	Associated Oil		(.04 July 23)			
No	.06	.02	Baltic	1,100	.03	.03	.02	.02
1	.14	.08	Brit. Dominion		(.08 Aug. 12)			
No	.58	.32	Brown Oil		(.30 bid .32 asked)			
No	3.15	1.89	Calgary & Ed.	720	2.30	2.35	2.30	2.30
1	.63	.25	Calmont	700	.32	.32	.31	.31
1	.43½	.25	Commonwealth	500	.28	.28	.28	.28
1	.06½	.01	Crow's Nest	5,000	.01	.01½	.01	.01
No	.70	.40	Dalhousie	50	.40	.40	.40	.40
No	.66	.30	Davies Pete	2,050	.31	.34	.31	.33½
No	.15	.07	East Crest	1,000	.08	.07	.07	.07
25c	.23	.14	Firestone	1,400	.15½	.14	.14	.14
No	.08½	.04	Freehold	2,500	.04½	.04½	.04½	.04½
No	.23	.13	Foundation Pete.	2,600	.16½	.17½	.15½	.15½
No	.21	.14	Four Star	2,600	.16	.16	.15	.16
No	.38	.14	Hargal		(.15 Aug. 11)			
No	.20	.09	High Sarcee	300	.10	.09	.09	.09
No	1.46	.90	Home Oil	1,500	1.17	1.17	1.16	1.16
No	.09	.02½	Madison	2,000	.04½	.04½	.04	.04½
No	.10½	.05½	Marjon Oil	8,000	.07	.07	.07	.07
No	.28½	.13	McD. Segur Ex.	750	.15½	.16	.14	.14
1	.30	.15	McLeod		(.18 Aug. 8)			
No	.19	.07	Mercury	600	.10	.10	.10	.10
No	.08	.06	Merland		(.05 bid ... asked)			
No	.12	.06	Mill City Pete		(.07 Aug. 1)			
No	.03	.02½	Midwest Pete.		(.03 bid ... asked)			
1	.42	.21	Model		(.21 bid ... asked)			
25c	.19	.12	Monarch Royal.	1,400	.13	.13	.12	.12
1	.19	.07	Nordon		(... bid .12 asked)			
No	2.25	1.04	Okalta	1,250	1.28	1.25	1.23	1.25
100	37.50	27.00	Do., pref.		(34.00 Aug. 19)			
No	.17	.06	Pacalta Oil	800	.06½	.06	.06	.06
25c	.51½	.28	Prairie Royal.	6,800	.35	.35½	.32	.32
No	48.00	35.00	Royalite	35	45.00	45.50	45.50	45.50
No	.16	.09½	Royal Canadian	3,000	.11	.11½	.11	.11½
No	.65	.39	Southwest Pete.		(.30 bid ... asked)			
1	.20	.10	Spooner		(.12½ July 25)			
25c	.28	.04	Spy Hill Rlty.		(.03½ bid ... asked)			
25c	.40	.33	Sunset Oils	2,500		.40	.38	.40
No	.25	.10½	United	1,100	.13	.12	.12	.12
No	.09½	.05	Vanalta		(.05 bid ... asked)			
1	1.21	.75	Vulcan	900	.80	.83	.78	.80
No	.34	.10½	West Flank		(.06 bid ... asked)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 30, 1938

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 30	Asked Aug. 30	Bid Aug. 23
†Assoc. Tel. & T.	5½	'55	74½	77½	75
Beauharnois P.	5	'73	94½	97½	95½
B. C. Power	4½	'60	99	102	99½
B. C. Telephone	4½	'61	105	108	105
†Calgary Power	5	'60	99½	102½	99
Do.	5	'64	98½	101½	98
†Can. Nor. Pwr.	5	'53	103	106	103
‡Dom. Gas & El.	6½	'45	86	89	86
‡Gatineau Pwr.	5	'56	103½	106½	103½
‡Do.	5	'49	101	104	102
Gt. Lakes Pwr.	4½	'56	96½	99½	96½
‡Inter. Hydro-E.	6	'44	75	78	79
▲Inter. Power	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	102	105	103
Do.	5½	'64	102	105	103
Mtl. L., H. & P.	3½	'56	101½	104½	101½
Do.	3½	'73	95½	98½	95½
†Mtl. Tramways	5	'41	99	102	99
†Do.	5	'55	72½	75½	73½
Nat. Lt. & Pwr.	6	'49	93½	96½	93½
N. S. Lt. & Pr.	4	'57	99	102	99
‡Ottawa Light Heat & Pwr.	4	'57	98½	101½	98½
†Ottawa V. Pwr.	5½	'70	105½	108½	105½
†Power Corp.	4½	'59	98	101	98
Quebec Power	4	'62	96½	99½	96½
§Saguenay Pr., A	4½	'66	103	106	103
Do., B	4½	'66	103	106	103
Shaw. W. & Pr.	4	'61	99	102	99½
Union Gas	4½	'50	100½	103½	100½
Wpg. El. Ser. A	4	'65	63	66	63
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	65	68	67
Acadia Sugar	4½	'55	101	104	101
†Alta. Pa. Grain	6	'46	87½	90½	88½
Atlantic Sugar	4	'51	99	102	99
B. A. Oil	4	'45	102½	105½	103
§Brown Co.	5½	'46	49½	52½	54
†Burns & Co.	5	'58	61½	64½	63½
Canada Bread	6	'41	107½	110½	107½
Canada Cement	4½	'51	102	105	102½
Canada Paper	4½	'52	98	101	98
Can. Steamship	5	'57	81	84	82½
Candn. Canners	4	'51	99	102	99½
‡Can. Int. Paper	6	'49	97	100	98
‡Candn. Vickers	6	'47	98½	101½	99½
C. P. R.	3½	'51	86½	89½	86
Do.	4	'49	90	93	89½
Do.	4½	'44	95½	98½	95½
Do.	6	'42	103½	106½	103½
Do., debs.	4	perp.	78	81	77½
†Consol. Paper	5½	'61	50	53	52
Dom. Coal	4½	'52	102	105	102
▲Dom. Stl. & C.	6½	'55	101	104	101½
Dom. Tar	4½	'51	100	103	100½
†Donnacona P.	4½	'56	74	77	75½
Famous Players	4½	'51	96½	99½	97
†Federal Grain	6	'49	93½	96½	93½
†Fraser Cos.	6	'50	98	101	98½
Gen. Stl. Wares	4½	'52	95	98	95
‡Great Lakes P.	5	'55	90	93	90
†Gypsum, Lime.	5½	'48	97	100	97
Ham. By-Pr. C.	5	'55	100½	103½	100
Inter-City Bak.	5½	'48	103	106	103
‡Inter. P. & P. Nfld.	4½	'68	99½	102½	100
Lake St. John P. & P.	5½	'61	90½	93½	91½
†Massey-Harris	5	'47	99	102	100
†McColl-Fron.	4½	'49	97	100	98
McCormick's	4½	'52	85	88	83½
‡M. & O. Paper	6	'45	35	38	37½
Nat. Grocers	4	'47	100	103	100
†N. S. Stl. & C.	5	'59	91	94	93½
†Do., debs.	6	..	38	42	39½
Price Bros.	5	'57	95½	98½	96
‡Prov. Paper	5½	'47	101	104	101½
Reliance Grain	4½	'52	91	94	92
†Restigouche Co.	6	'48	96½	99½	96
Rolland Paper	4½	'51	102½	105½	102½
Simpsons Ltd.	4½	'51	96½	99½	97
Smith, Howard	4½	'51	102	105	102
†Steel of Can.	6	'40	108½	111½	108½
‡United Gas	5½	'48	102½	105½	103
United Gr. Grs.	5	'48	93	96	93
†West. Grain	6	'49	44	47	45

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 30, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	3.20	3.50
Do., pfd.	4.40	4.90
Acme Farmers Dairy, pfd.	16.50	
Algoma Steel Corp., com.	10.00	10.75
Do., pfd.	60.00	63.00
Andian Nat.	39.00	40.00
Anglo Can. Tel.	8.50	9.00
Barrymore Cloth, pfd.	26.00	28.00
B. C. Pulp & Paper, com.	16.00	17.00
Do., pfd.	50.00	55.00
Burns & Co., "A"	4.75	5.25
Do., "B"	2.50	3.00
Can. Airways	1.50	2.25
Can. Goodrich, com.	1.00	....
Can. Industries, "A" com.	207.00	212.00
Do., "B" com.	205.00	208.00
Do., pfd.	160.00	164.00
Can. Ingersoll Rand	120.00	127.00
Can. Tube & Steel, com.	4.00	6.00
Do., pfd.	67.00	70.00
Chase, A. W., pfd. bonus	26.00	27.50
Claude Neon, pfd.	6.00	6.50
Cons. Sales Book, pfd. bonus	82.50	....
Copeland Flour Units	5.00	7.00
Corrugated Paper Box, com.	1.75	2.50
Do., rts.	....	10.00
Dom. Manufacturers, com.	3.50	5.00
Do., pfd.	60.00	65.00
Dominion Woollens, pfd.	1.00	1.25
Dunlop Tire, pfd. par $25	18.50	19.25
Federal Grain, com.	2.00	2.75
Do., pfd.	30.00	32.50
Goderich Elevator	6.50	7.25
Guelph Carpet, pfd.	102.00	104.00
Do., com	16.50	18.50
Hayes Steel Prod., com.	6.00	....
Do., pfd.	7.75	....
Highland Dairy, pfd.	42.50	48.00
Home & Indust. Bldg. Prod.	....	3.00
Kingston Shipbuilding Units	9.50	10.50
Loblaw Inc., pfd. bonus	67.00	72.50
Maritime Tel., com.	15.50	16.50
Do., pfd.	16.75	17.75
Morrison Brass, pfd. bonus	5.50	7.00
Morrow Screw, pfd. bonus	93.00	96.00
Mount Royal Hotel, pfd.	2.50	3.25
Neilson, Wm., pfd.	98.00	....
New Brunswick Tel., com.	12.25	13.00
New Method Laund., pfd. bonus	52.00	57.00
Niagara Lower Arch Bridge, com.	68.00	....
Paterson, Wm., pre.	100.00	....
Provincial Paper, pfd.	101.00	103.00
Reliance Grain, pfd.	52.00	58.00
Robinson Consol. Cone	8.25	9.00
Ruddy, E. L., pfd.	24.00	27.00
Seal O Sac (Can.)	2.75	3.50
Standard Fuel, com.	2.00	4.00
Do., pfd.	57.00	62.00
Stedman Bros, pfd. par $50	53.50	55.50
Supertest Pete., "B" pfd. 6	27.00	30.00
Toronto Carpet, com.	27.00	32.00
Do., pfd.	55.00	60.00
United Farmers Co-op.	2.50	3.00
United Steel, "A" pref.	18.00	19.00
Viceroy Mfg., pfd. & rts.	20.75	22.50
Western Grain, pfd. bonus	6.00	8.00
Western Steel Prod., com.	10.50	11.25
Weston (Geo.) Foods (Eng.)	3.50	4.00
Willards Choc., pfd.	24.00	....
Wings Limited	.35	.50
Trusts and Loan Stocks:		
British Mortgage	140.00	....
Commercial Finance, com.	2.50	3.00
Guelph & Ontario Inv.	50.00	....
London & Western Trust	....	35.00
Monarch Mort. Inv. Units	.75	1.00
Premier Trust	....	110.00
Sterling Trust	43.00	48.00
Traders Fin., "A" com.	15.00	16.00
Do., "A" pfd.	84.00	....
Do., "A" 6% pfd. W.R.	94.00	97.00
Do., "B" 7% pfd. W.R.	95.00	98.00
Trusts & Guarantee	24.50	26.50
Insurance Stocks:		
Canada Life	524.00	539.00
Canadian Ins. Shares	20.00	22.00
Confed. Life 25% pd.	135.00	....
Crown Life fully pd.	215.00	....
Dominion Fire Ins.	135.00	....
Dom. of Can. Gen.	109.00	114.00
Empire Life 25% pd.	10.00	11.00
Federal Fire 25%	47.00	....
Great West Life	305.00	....
Imperial Life	320.00	340.00
Manufacturers Life	250.00	280.00
Monarch Life 10% pd.	24.00	26.00
Sovereign Life 25% pd.	12.00	14.00
Sun Life Assce.	460.00	485.00
Toronto General	5.00	6.25
Western Assce., pfd.	41.25	43.00
Do., com.	50.00	53.00
Theatre Stocks:		
Allens Kingston, pfd.	63.00	69.00
Do., London, pfd.	51.00	57.50
Do., St. Catharines, pfd.	60.00	65.00
Do., Tor., pfd. bon. com.	32.00	....
Loew's London, pfd.	3.00	3.90
Mansfield Theatre, pfd.	21.00	....
Paramount Kitchener, pfd.	48.00	52.00
Do., Oshawa, pfd.	87.00	90.00
United Amusement, "A"	14.75	16.00
Do., "B"	14.75	16.00
Investment Trust Shares:		
Can. Gen. Invest.	8.50	8.90
Can. Investment Fund	3.80	4.15
Can. Investors	5.50	6.50
Inv. Foundation, pfd. bonus	53.00	57.00
Sec's. Hold., 6% pfd. bonus	17.00	18.00
United Corp., A	20.00	21.50
Do., "B"	10.00	11.00
Power Issues:		
Can. West. Nat. Gas, com.	24.00	27.00
Do., pfd.	93.00	95.50
Great Lakes Power, pfd.	100.00	103.00
Inter. Util., $1.75 pfd.	7.00	9.00
Do., $7 pfd.	80.00	....
Montreal Island Pwr., pfd.	19.00	21.00
Northern Ont. Pwr., pfd.	97.50	100.00

Winnipeg Stocks

(Transactions from Aug. 20 to Aug. 27)

	Sales	High for period	Low for period	Close Aug. 27
Beaver Lumb., c.	50	4.00	4.00	4.00
Central Man.	2,200	.06	.05½	.05½
Cryderman	3,000	.00½	.00½	.00½
Dickston Copper	300	.01½	.01½	.01½
Flin Flon	3,300	.04½	.04	.04½
Gt. Falls M.	3,500	.06½	.05	.06
Gurney Gold	4,140	.13	.11	.12½
Great West Life	2	320.00	320.00	320.00
Island Lake	2,000	.01	.01	.01
Knee Lake	2,000	.01	.01	.01
Rice Lake	500	.01	.01	.01
Star Lake	168,000	.03½	.02¾	.03½
Sachigo R.	50	17.00	17.00	17.00
Sunbeam K.	200	.47	.47	.47
Traders Bldg.	30	83.00	83.00	83.00
United Grain	10	7.50	7.50	7.50
West. Steel	105	11.25	10.75	10.75
Wingold	7,200	.03	.03	.03
Wings Ltd.	200	.35	.35	.35
Western Brew.	100	2.00	2.00	2.00
Winnipeg R. Tin	8,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
United Grain	7¼	7½
Western Grain, pref.	...	10

*Stocks more active on other exchanges not included.

Municipal Bonds

Aug. 30, 1938

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	113.00	115.00	4.00
Hamilton	5	1950	110.50	112.00	3.75
Montreal	5	1945	104.00	105.50	4.02
Ottawa	4½	1945	107.70	109.20	3.00
†Quebec	5	1959	106.00	107.50	4.45
Saint John	5	1950	107.00	108.50	4.12
†Toronto	4½	1955	113.25	115.25	3.30
†Vancouver	5	1950	86.00	89.00	6.36
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N. Y.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Aug. 30	27,300	49,900	626,000
Aug. 29	50,000	90,000	1,076,000
Aug. 27	7,500	21,300	237,000
Aug. 26	14,000	68,200	633,000
Aug. 25	17,300	79,500	532,000
Aug. 24	26,000	52,000	406,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	2.50	....
Can. Inv. Fund	3.40	4.15
All Can. Trustee	12.25	12.90
Trans-Canada	....	12.85
Grouped Income	5.30	....
Can. Int. Tr., modified	5.00	6.00
Do., unmodified	4.50	5.50

Unlisted Mines

TORONTO
August 30, 1938

	Bid	Ask.
Addington*	..	.16
Albany R.	.19	.21
Algoma S.	.23	.25
Amorada	.05	.07
Arjon	.03½	.04
Armistice	.03	.04
Argosy	.04	.04½
Arno	.02	.02½
Athona	.04	.05
Area	.13	.13¾
Bailor	.01	.01¾
Barb. Lar.	.22½	.23½
Bear	.34	.36
Bidlamaq	..	.04½
Big Master	.03	.04
Bilmac	.08	.09
Baldwin	.01½	.02½
Buf Bear	.16	.19
Cuniptau	.05½	.05¾
Calder Bo	.03½	.04½
Camlaren	..	.18
Cana Pan	.04½	.05½
Cana. Kirk.	.01	.01½
Capital Ro.	.02¾	.03½
Central M.	.04½	.05
Chan. Yell.	..	.20
Cheminis	.06½	.07½
Coin Lake	.04	.05
Crowshor	.13	.15
Con. Kirk.	.11	.13
Dawson W.	.03½	.04
Delandore	.05½	.07
Delwood	.02½	.03½
Desantis (new)	.25	.27
Doreva	.05½	.07½
Devon	.22	.24
Don. Mart.	..	.04
Dunlop (new)	.02½	.03
E. Lacoma	.02	.03
Elmos	..	.30
Frontier	.04	.06
Gate Pat.	.02½	.03½
Gilbec	.01½	.02½
Goldside	.01½	.01¾
Golden G.	.42	.44
Golden Tr.	.07½	.09

	Bid	Ask.
Gordon Lb.	.04	.04½
Hallnor	..	8.75
Halliwell	.04	.06
Hislop	.03	.05
Hiawa's	1.00	1.10
Hutch. Lke.	.03	.04
Hugh PP.	.12	.13
Keora	.03	.03½
Keystone	.01	.01½
Kaw Crow	.02½	.03½
Kenricia	.24	.27
Kewaga'a	.12	.13
Kir. Vit.	.02¾	.03½
King Fish	.00¾	.01½
Kirk. Gate	.06½	.08
Kirk. Hunt	.02	.02½
Lacoma	.04	.04½
Lafayette	.01	.01½
Lake Df.	.90	.95
L. Geneva	.16½	.20
Lake Rose	.06	.08
Lamaqu	6.30	6.60
Lardego	.02¾	.03½
Lucky Kir.	.05	.05½
Magnet L.	.12	.14
Magnet C.	.58	.63
Manco	.02	.02½
Martin B.	.16	.17
Mata Can.	.05	.06
Moffatt Hall (new)	.06¾	.07½
McFar LL.	.02	.03
McCarthy	.07½	.09
McVit. Kir.	.02¾	.03½
Monarch	.02	.02½
Mosher	.25	.27
Mooshla	.05½	.06½
Norlake	.02½	.03½
Norbeau	.74	.79
Negus	..	.80
North. Sho.	.02½	.03
Oklend	.15	.17
O'Leary	.03¾	.04½
Opemiska	.09½	.12
Oriole	.04	.04¾
Ossian	.03	.04
Parkhill	.01½	.02½

	Bid	Ask.
Pascalis	.32	.34
Porc. Lake	.08	.10
Porc. McN.	.03	.04
Plains P.	1.10	1.25
Planet	.04	.04½
Pontiac R.	.20	.21
Pelangio	.04	.05
Polaris	.23	.25
Propri'y	1.70	1.80
Presdor	.08	.10
Queb. Mn.	.17	.20
Rand Ml.	.29	.32
Rajah	.02½	.03
Raymond	.61	.62
Ribago (new)	.05½	.05¾
Red LGS	.04½	.04½
Rich Rock	.06	.08
Ronda	.16	.18
Rouyn Re.	.02½	.02¾
Rubec	.02	.03½
Sachigo R.	..	15.50
Shenango	.06	.06½
Sheldon	.10	.12
Silver Val.	.02½	.03
Siscoe E.	..	.11
Smelters	.03	.04
South Ver.	.03	.04
Spooner	.04½	.05½
Sturg. Riv.	.18	.19
Sunbeam	.34	.37
Sun Bear	.03	.04
Surf. Inlet	.13	.16
Springer	.08	.10
Tonawa'a	.03	.03½
Up. Cana.	.58	.60
Virita	.03	.06
Williamson	.01½	.02½
Wilport	.08	.06
Wesley	.03½	.04½
Wells LL.	.12	.14
Westside	.02½	.03
Westwood	.08	.08½
Wh. Horse	.04	.06
Winoga	.05	.06
Woco	.19	.21
Young David'n	.21½	.23

MONTREAL
August 30, 1938

	Bid	Ask.
Abbeyville	..	.12
Amity	..	.01½
Brown Cadillac	.01	.02
Chibmac	.01¾	.02½
Cournor	..	.20
Dempsey Cad.	..	.03

	Bid	Ask.
Dorval Units	..	8.50
Lake Rowan	.04¾	.06
L. L. Lagoon	.03½	.05
Leroy	.01½	.02
Margaret	..	.10

	Bid	Ask.
Obalski	.07	.08
Pan. Canadian	.11	.12
Routhier Cad.	.05	.07
Valdor Min.	1.15	1.25
Warrenmac	.07	.10

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Aug. 31, 1938		Bid	Asked	Approx. Yld.
■3	1 Jan. '39	100.75	101.25	...
1	1 June '39	100.10	100.50	.40
2	15 Nov. '39	101.25	101.75	.67
2½	15 Oct. '39	101.75	102.25	.70
4	15 Oct. '39	103.50	104.00	.77
1½	1 June '40	100.75	101.25	.82
4½	1 Sept. '40	105.75	106.25	1.32
1	15 Mar. '41	99.50	100.00	1.00
5	15 Nov. '41	109.62	110.12	1.78
2	1 June '42	101.40	102.00	1.46
3	15 Oct. '42	104.50	105.00	1.75
2½	1 June '43	102.75	103.25	1.80
5	15 Oct. '43	112.75	113.25	2.25
2	1 June '44	99.50	100.00	2.00
■3¼	15 Jan. '44	101.37	102.12	▲1.75
4½	15 Oct. '44	111.50	112.00	2.39
2½	15 Nov. '44	101.62	102.12	2.13
■2½	15 Aug. '45	102.00	102.75	▲1.92
4	15 Oct. '45	108.00	108.50	▲2.23
4½	1 Feb. '46	111.75	112.25	2.68
3¼	1 June '49	102.37	102.87	▲2.83
3½	15 Oct. '49	103.75	104.25	▲2.74
3¼	15 Nov. '51	101.87	102.37	▲2.98
■5	1 May '52	111.62	112.37	▲1.52
4	15 Oct. '52	108.00	108.50	▲2.97
3	1 June '55	98.87	99.37	3.05
4½	1 Nov. '56	111.00	111.75	▲2.93
4½	1 Nov. '57	111.25	112.00	▲3.03
3	1 June '58	97.75	98.25	3.12
4½	1 Nov. '58	111.87	112.37	▲3.11
4½	1 Nov. '59	112.12	112.62	▲3.18
■4	1 Oct. '60	109.00	109.75	▲3.05
■3¼	15 Jan. '61	102.37	103.12	▲3.02
3¼	1 June '66	100.00	100.50	▲3.21
■3	15 Jan. '67	97.62	98.37	3.09
■3	Perp. bonds	89.50	90.00	3.33
Dominion Guaranteed Bonds				
Canadian National Railway:				
2	15 Jan. '42	101.00	102.00	1.41
2	15 Feb. '43	100.25	101.25	1.83
3	1 May '44	103.25	104.25	2.19
3	15 Dec. '50	98.50	99.50	3.05
3	15 Feb. '53	98.25	99.25	3.07
*4½	1 Sept. '51	114.50	115.50	3.05
*4½	1 Feb. '56	115.00	116.00	3.29
†4½	1 July '57	114.50	115.50	3.39
*4¾	15 June '55	117.50	118.50	3.32
5	1 Feb. '54	118.00	119.00	3.41
*5	1 July '69	116.00	117.00	▲2.69
*5	1 Oct. '69	119.00	120.50	▲3.16
*5	1 Feb. '70	119.00	120.50	▲3.21
Provincial Government Bonds				
New Brunswick:				
3	15 Oct. '51	91.50	93.00	3.66
3½	15 June '56	93.50	95.00	3.88
†4	15 Nov. '47	102.00	103.50	▲3.45
†4½	15 Apr. '61	104.00	106.00	4.10
†5	15 Jan. '60	109.50	111.00	4.21
Nova Scotia:				
3	2 Jan. '52	96.50	97.50	3.23
3¼	1 June '56	97.50	99.00	3.32
3½	15 Dec. '49	101.00	102.50	3.24
†4½	15 Sept. '52	110.00	111.50	▲3.04
†4½	15 Nov. '60	112.50	114.00	3.59
†5	1 Mar. '60	118.00	119.50	3.67
Ontario:				
2½	15 May '45	100.25	101.25	2.30
3	1 Dec. '51	98.25	99.25	3.07
3¼	15 Nov. '51	100.50	101.50	▲3.10
*4	1 June '62	108.00	110.00	3.39
4½	1 June '50	112.00	113.00	3.19
*4½	15 Jan. '62	114.50	116.50	3.47
5	15 Oct. '48	115.50	116.50	3.14
*5	2 Dec. '60	122.00	124.00	3.46
5½	1 July '46	116.00	117.00	3.05
Ont. Hydro Comm.:				
3	1 Aug. '48	98.25	99.25	3.09
3¼	1 Feb. '53	100.25	101.25	▲3.12
3½	1 Apr. '47	103.25	104.25	2.94
Prince Edward Island:				
3	1 Oct. '45	99.50	100.50	2.92
Quebec:				
3	1 Nov. '51	96.75	97.75	3.20
3¼	1 Mar. '48	99.75	100.25	3.22
3¼	1 June '52	99.00	100.00	3.25
4	15 Mar. '52	105.00	106.50	3.41
4¼	1 Aug. '58	109.00	110.00	3.55
4½	2 Jan. '63	112.00	113.50	3.66
Alberta:				
4	15 Dec. '54	55.00	59.00	‡
4½	1 Oct. '51	61.00	65.00	‡
†4½	1 Oct. '56	58.00	62.00	‡
*5	1 Oct. '59	59.50	63.50	‡
†5½	1 Apr. '52	62.00	66.00	‡
6	1 Mar. '47	64.25	68.25	‡
British Columbia:				
†4	1 Dec. '57	88.25	91.25	4.69
*4½	15 Jan. '51	97.00	100.00	4.50
†4½	1 Oct. '53	96.25	99.25	4.57
†5	25 Apr. '54	99.50	102.50	4.77
5½	1 Feb. '45	102.25	105.25	4.55
6	15 Feb. '47	104.25	107.25	4.95
Manitoba:				
†4	1 Dec. '57	83.75	87.75	5.00
†4½	15 Dec. '56	87.75	91.75	5.20
*5	2 Dec. '59	94.25	98.25	5.13
5½	1 Oct. '55	96.75	100.75	5.43
6	1 Apr. '47	99.00	103.00	5.55
Saskatchewan:				
4	1 Nov. '60	70.00	74.00	6.15
†4½	1 Oct. '51	79.00	83.00	6.40
†4½	15 Mar. '60	74.00	78.00	6.37
5	1 Aug. '58	79.25	83.25	6.51
5½	1 Oct. '52	84.50	88.50	6.75
6	15 Mar. '52	87.50	91.50	6.97

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ↓Callable on or after Sept. 15, 1936. ‡Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Aluminium, pfd.	$1.50	Sept. 1	Aug. 15
Agnew-Surpass	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo-Can. Tel., A	15c	Sept. 1	Aug. 15
Asbestos Corp.	50c	Sept. 30	Sept. 15
Do., extra	50c	Sept. 30	Sept. 15
Assoc. Breweries, c.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bell Tel., c.	$2	Oct. 15	Sept. 23
Bright, T. G., c.	7½c	Sept. 15	Aug. 31
Do., pref.	$1.50	Sept. 15	Aug. 31
B. C. Power, A	50c	Oct. 15	Sept. 30
Burling. Steel, c.	15c	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Brown's Oil, pf.*	$3	Aug. 31	Aug. 22
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co., c.	30c	Sept. 1	Aug. 15
Bank of Montreal	$2	Sept. 1	July 30
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Brazilian Trac., pf.	$1.50	Oct. 1	Sept. 15
Coniaurum Mines, c.	5c	Sept. 16	Sept. 6
Candn. Cotton, c.	$1	Oct. 1	Sept. 16
Do., pref.	$1.50	Oct. 1	Sept. 16
Candn. Ingersoll-Rd. com.	....	Sept. 6	Aug. 15
Can. Wise & C. pf.	$1.62½	Sept. 15	Aug. 31
Can. & Dom. Sug.	*12½c	Sept. 1	Aug. 15
Can. Indust., pf.	$1.75	Oct. 15	Sept. 30
Do., A & B	$1.25	Oct. 31	Sept. 30
Cne. Int. Inv. Tr. pf.	$1.25	Sept. 1	Aug. 15
Cap. W. Cloth, p.	$1.50	Sept. 1	Aug. 20
Confederation Life	$1	Sept. 30	Sept. 25
Canada Cement, pf.	$1	Sept. 20	Aug. 31
Can.-Perm. Mtge.	$2	Oct. 1	Sept. 15
Canada Vinegars	30c	Sept. 1	Aug. 20
Can. For. Inv., pf.	$2	Oct. 1	Sept. 15
Canada Malting	37½c	Sept. 15	Aug. 31
Cosmos Imp., pf.	$1.25	Oct. 15	Sept. 30
Distillers Seag.	50c	Sept. 15	Sept. 6
David & Frere	15c	Sept. 30	Sept. 15
Dom. Textile, c.	$1.25	Oct. 1	Sept. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Dom. Scot. Inv.	50c	Sept. 1	Aug. 20
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Found., pf.	$1.50	Sept. 1	Aug. 20
Dom. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
English Elec., A	62½c	Sept. 15	Aug. 31
Eastern Car, pf.	‡$30	•	Aug. 4
Electrolux	40c	Sept. 15	Aug. 15
Firestone Pete.	2c	Sept. 3	Aug. 20
Foundation Pete.	2c	Sept. 3	Aug. 20
Ford Motor	25c	Sept. 17	Aug. 27
Four Star Pet.	*3c	Sept. 2	Aug. 25
Falconb. Nickle, c.	7½c	Sept. 29	Sept. 14
Gatineau Pr., c.	*20c	Sept. 15	Aug. 20
Do., pref.	$1.25	Oct. 1	Sept. 1
Ham. Cotton, pfd.	50c	Oct. 1	Sept. 15
Hollinger Cons.	5c	Sept. 9	Aug. 26
Huron & E. Mtge.	$1	Oct. 1	Sept. 15
Hedley Mascot	3c	Oct. 1	Sept. 1
Imperial Tob., ord.	10c	Sept. 30	Sept. 9
Indust. Accept., A	50c	Sept. 30	Sept. 15
Do., pf.	$1.25	Sept. 30	Sept. 15
Do., extra	12½c	Sept. 30	Sept. 20
Inter. Mining	10c	Sept. 20	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Aug. 31
Lava Cap. Gold	3c	Sept. 30	Sept. 10
Lake Shore M.	$1	Sept. 15	Sept. 1
Loblaw "A," "B"	25c	Sept. 1	Aug. 10
Lake of W. M. p.	$1.75	Sept. 1	Aug. 15
Louisiana Land, c.	10c	Sept. 15	Sept. 1
Laura Secord, c.	75c	Sept. 1	Aug. 15
Lang, J. A.	17½c	Oct. 1	Sept. 15
Little L. Lac	10c	Sept. 10	Aug. 31
Langley's, pref.	‡$2.50	Sept. 22	Aug. 24
Macassa Mines	5c	Sept. 15	Aug. 31
McKenzie Red Lake	3c	Sept. 15	Sept. 1
Montreal Loan	50c	Sept. 15	Aug. 31
McColl-Front., c.	10c	Sept. 15	Aug. 31
McIntyre Porc.	50c	Sept. 1	Aug. 1
Monarch Rylts.	1c	Sept. 3	Aug. 20
MacK. Steel, pf.	‡$1.75	Sept. 15	Aug. 31
Mont. Cottons, c.	50c	Sept. 15	Aug. 31
Do., pf.	$1.75	Sept. 15	Aug. 31
National Brew., c.	50c	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 13
Nat. Biscuit	40c	Oct. 15	Sept. 16
Do., pref.	$1.75	Aug. 31	Aug. 12
Ogilvie Flour, pf.	$1.75	Sept. 1	Aug. 19
[illegible]			
Photo Engravers	50c	Sept. 1	Aug. 15
Pioneer Gold, B.C.	10c	Oct. 1	Sept. 1
Prairie Rylts.	2.5c	Sept. 3	Aug. 20
Paymaster Cons.	*1c	Sept. 15	Sept. 1
Provincial Bank	$1.50	Sept. 1	Aug. 15
Paton Mfg., pf.	$1.75	Sept. 15	Aug. 31
Power Corp., 1st pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Reno Gold	1½c	Oct. 1	Sept. 10

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 224

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1938, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 1st day of October, 1938, to shareholders of record of the 20th September, 1938.

By Order of the Board.

Robert Rae,
General Manager.

Toronto, 11th August, 1938.

Canadian Car & Foundry Company, Limited

DIVIDEND NOTICE—PREFERENCE STOCK

Notice is hereby given that a dividend of forty-three cents (43c) per share on the paid up Preference Stock of the Company for the quarter ending September 30th, 1938, has been declared, payable on the 10th day of October, 1938, to Shareholders of record on the 26th day of September, 1938.

By Order of the Board,

A. C. BOURNE,
Secretary.

Montreal, August 29th, 1938.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1938, payable 1st October, 1938, to shareholders of record 15th September, 1938.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, August 24th, 1938.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1938, payable 15th October 1938, to shareholders of record 30th September, 1938.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, Aug. 24th, 1938.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, 1938, payable October 1st, 1938, to shareholders of record at the close of business September 15th, 1938.

By Order of the Board,

E. W. McNEILL,
Secretary.

Dated at Toronto, August 18th, 1938.

DIVIDEND NOTICE

Canada Malting Co., Limited

NOTICE is hereby given that a regular quarterly dividend of Thirty-seven and one-half cents (37½c) per share has been declared on the no par value stock of the Company. The above dividend is payable September 15, 1938, to Shareholders of record at the close of business on the 31st day of August, 1938. The books of the Company are to be closed from September 1st, 1938, to September 14th, 1938, inclusive.

Share Warrant Holders will present Coupon Serial No. 43 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after September 15th, 1938.

By Order of the Board,

JOHN P. HEIGHTON,
Secretary.

Dated at Montreal,
August 25th, 1938.

CANADA PERMANENT Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

SATURDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1938.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 17th, 1938.

Dividends Declared (Cont'd)

Remington Rand, c.	20c	Oct. 1	Sept. 9
Do., pref.	$1.12½	Oct. 1	Sept. 9
Rolland Paper, pf.	$1.50	Sept. 1	Aug. 15
Royal Bank	$2	Sept. 1	July 30
Regent Knit., pf.	40c	Sept. 1	Aug. 15
Siscoe Gold	5c	Sept. 15	Aug. 31
Sec. Can. Int. Inv., p.	10c	Sept. 1	Aug. 15
Stuart D. Oil p.	20c	Sept. 1	Aug. 15
Sylvanite Gold, c.	5c	Sept. 30	Aug. 20
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 30
Smith, How., pf.	$1.50	Oct. 15	Sept. 30
Toronto Elev., pf.	65½c	Sept. 7	Aug. 31
Union Gas	20c	Sept. 15	Aug. 20
United Fuel, p.	‡$1	Sept. 1	Aug. 15
Walker-G. & W.	$1	Sept. 15	Aug. 26
Do., pref.	25c	Sept. 15	Aug. 26
West Koot. Pr., pf.	$1.75	Oct. 1	Sept. 15
Weston, Geo., c.	20c	Oct. 1	Sept. 15
Wr.-Harg.	10+5c	Oct. 1	Aug. 26

‡On arrears. *Initial.
•Date of payment not set.

Dividends Deferred—
Corrugated Paper Box, pfd., due Sept. 1. Last paid $1.75 June 1, 1938.
Can. Foreign Investment, com., due Oct. 1. Last paid 40c, July 1, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

Reno Gold Mines Limited N.P.L.

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and one-half (1½c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Saturday, the 10th day of September, 1938, and that the dividend will be payable on or after the 1st day of October, 1938.

The Register of Transfers will be closed at the close of business on the 10th September, 1938, until the opening of business on the 20th day of September, 1938.

By Order of the Board.

W. A. SUTTON,
Secretary-Treasurer.

Vancouver, B.C., August 23, 1938.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE IS HEREBY GIVEN that an Interim Dividend (No. 129) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Friday, the 30th day of September, 1938 to shareholders of record at the close of business on Friday, the 9th day of September, 1938.

A Semi-Annual Dividend (No. 53) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Friday, the 30th day of September, 1938 to shareholders of record at the close of business on Friday, the 9th day of September, 1938.

By Order of the Board

F. P. L. LANE,
Secretary

Montreal, P.Q.
26th August, 1938.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN that a Dividend of One Half of One Per Cent (½%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1938.

By Order of the Board,

CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, August 24th, 1938.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN that a Quarterly Dividend of One and Three Quarters Per Cent (1¾%), being at the rate of Seven Per Cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1938.

By Order of the Board,

CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, August 24th, 1938.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of Two Per Cent (2%) has been declared payable on the 15th day of October, 1938, to shareholders of record at the close of business on the 23rd of September, 1938.

F. G. WEBBER,
Secretary.

Montreal, August 24, 1938.

George Weston Limited

Common Quarterly Dividend No. 35

NOTICE IS HEREBY GIVEN that a dividend of Twenty Cents (20c) per share has been declared on the Common Stock of this Company, payable on the 1st day of October, 1938, to shareholders of record at the close of business on the 15th day of September, 1938.

By Order of the Board.

W. H. KEMP,
Assistant Secretary.

Toronto, August 24, 1938.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 40) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the First day of October, 1938, to Shareholders of record at the close of business on the 15th day of September, 1938.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 36) of 20c per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable on the 30th day of September, 1938, to Shareholders of record at the close of business on the 15th day of September, 1938.

By Order of the Board,

I. N. WILSON,
Treasurer.

Calgary, Alberta.
August 22nd, 1938.

CONIAURUM MINES LIMITED

25 King Street West, Toronto

DIVIDEND NO. 5

Notice is hereby given that a dividend of 5 cents per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds, on September 16th, 1938, to shareholders of record September 6th, 1938.

By order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

August 24th, 1938.

Canadian Wirebound Boxes Limited

Dividend Notice

The directors of the company have declared a dividend of thirty-seven and one-half cents (37½c) per share on account of arrears on the class "A" shares of the company, payable October 1st, 1938, to shareholders of record the close of business September 15th, 1938.

By order of the Board,

J. P. BERNEY,
Secretary.

Week in Wheat

Rush of Marketing Undermining Prices

European Buyers Wait Complacently for Cheap Subsidized Exports — Private Holders Getting Out of Market Fast as Governments Step In

From Our Own Correspondent

WINNIPEG.—The race to market wheat has commenced with European producers getting off to the quickest start. Russia, Roumania and Hungary are exporting in large volume, determined to dispose of as much grain as possible before Canadian supplies become plentiful. Subsidized wheat exports have begun from United States.

Net result of this rush to market has been further serious weakening of prices. Big European buyers are watching complacently and they believe that they are going to be able to fill all their needs at most economical prices.

Apparently Canadian and United States Government policies are regarded abroad as similar, and importers appear to hope that Argentina and Australia will join in the competition to subsidize exports.

United States markets went down concurrently with others, in spite of the assumption by Washington that Government buying might advance prices. The reverse effect is attributed by observers to the fact that other holders of wheat are getting out of the market to a greater extent than the Government is getting in.

Board Starts to Buy

It was really not until the end of last week that the Canadian Wheat Board swung into full buying operation. With the printing and circulation of price lists applying to different points in western Canada, and with the completion of contracts with elevator companies to act as agents for the Wheat Board, money began to be paid to growers on behalf of the Board. Participation certificates were also issued. Before this farmers were putting their wheat in storage, and receiving advances from the elevator companies, to the extent of their immediate cash needs.

One unexpected complication for the Wheat Board arises from the fact that wheat sold to the Board brings more money than that sold by United States farmers just south of the line. Precautions have had to be taken against smuggling of wheat across the border for delivery here. As some wheat, also, will be sold out of country elevators for use as seed and for next year's feed, and presumably at prices less than those at which the Board is buying, warnings have been given of legal penalties to be applied against any persons attempting to resell wheat.

* * *

Germany and Italy

Both Italy and Germany appear to have been trying to help Hungary and Roumania to dispose of their crops, for political as well as economic reasons. According to overseas commercial opinion both major powers face a greater food shortage than has been admitted. But political tension and other uncertainties prevent the current market taking advantage of this fact yet.

* * *

Canada Should Sell Early

As new crop Canadian wheat begins to reach terminal elevators in heavy volume it is considered essential that large exports should be started as soon as possible to the British market in order to get the millers of that country using a large proportion of Canadian grain in their flour mixtures. A good opening in this connection would undoubtedly be followed throughout the season by a continuation of the practice with consequent advantage to Canada. Last week export clearances were stepped up to over 1.6 million bushels. This is an increase over previous weeks but still represents a rate far short of what is necessary to move the present big crop.

Investments in Flour

Prospects Appear Brighter Now

At End of Discouraging Year

Major Canadian milling concerns have been before the investing public for many years. In one or two cases their record for long continued dividend payments is exceptionally favorable. But for the most part they have suffered from the slump in which the milling industry has been for several years.

With the year which has just closed one of almost unexampled difficulties in the industry, reports which will be appearing in the course of the next month or two are not going to make satisfactory reading for investors. But the picture has changed for the better. The coming year is regarded with optimism by milling company officials.

Brief reviews of the leading companies in which there is public investment interest follows:

International Milling

International Milling Co. has its head office in Minneapolis but operates in both Canada and the United States as well as carrying on an export business under normal conditions. In Canada the company's plants are operated under the name of "Robin Hood." The company's business is largely domestic to Canada and the United States. Combined capacity of plants is 23,000 barrels of flour and 1,880 barrels of cereals daily while combined capacity of country and terminal elevators is 14 million bushels.

The company is not as much affected by the current crop and export conditions for Canada as other firms. A considerable degree of stability of earnings and consistent coverage of dividends on its preferred stock have been a feature of this company's operations.

Its capital consists of $4.9 millions 5% first preferred which is listed on the Toronto stock exchange, and 92,577 no par value common shares. It also guarantees $1.5 million of 4% first mortgage bonds of Lake & Rail Warehouse & Elevator Corp.

The company's common stock is profitably held and public interest in the concern is almost entirely confined to the first preferred which was offered in Canada by A. E. Ames & Co. in 1935. In the year ended August 31, 1937, the company earned $28.56 a share on this 5% first preferred. It is not believed that earnings this year will be up to this standard but will likely provide a wide margin of coverage on preferred dividend requirements. The company's financial position is unusually strong.

Western Canada Flour

Western Canada Flour Mills Co. has plants at Goderich, Winnipeg, Brandon and Calgary, where it makes a wide line of flour, cereals, poultry food. The Brandon plant has been closed down. Total daily capacity of plants is 10,000 barrels of flour and 350 barrels of cereals daily. Other properties include 80 country elevators with a storage capacity of 2.4 million bushels and 8 terminal elevators with the same total capacity. The company also controls the Dominion Salt Company at Sarnia and the Purity Baking Co. with plants in most of the large centres of Canada.

Capitalization includes 2.4 millions of 6½% cumulative preference stock and 135,000 common shares, both listed on the Canadian exchanges. Last dividend payment on the preference stock was made on March 15, 1935, and arrears were $30.625 a share at Sept. 1, 1938.

In the year ended July 31, 1937, the company earned $3.01 a share on its preference. In common with other milling companies, however, it is understood that results for the year have been much less satisfactory.

Maple Leaf Milling

Maple Leaf Milling Company also produces a wide line of flour and other cereal products. The company and its subsidiaries own 6 flour mills in Ontario, with one in Alberta. Two of the Ontario mills are not operating at present. Total milling capacity is 20,500 barrels of flour. This concern only operates two country elevators in western Canada. Its baking interests, however, are extensive and it numbers among its subsidiaries Canada Bread Co., Canadian Bakeries, Dominion Bakeries and Eastern Bakeries.

This company went through a reorganization in 1934 whereby one half of the interest payments due on its 5½% first mortgage bonds and a portion of its bank loan were paid by the issue of class A redeemable participating preferred shares. This arrangement expires at the end of 1938 and the company will then be faced with the necessity of providing interest in cash for full amount of its bank loan and $4.6 millions of bonds. Present prospects are such that it is doubtful if this burden can be carried and there is a probability that a further reorganization will have to be carried through.

In addition to the bonds the company had 73,246 class A preferred shares and 250,100 common shares as well as 3 shares of management stock, outstanding at the end of July, 1937. The stock is listed on the Toronto stock exchange.

In the year ended July 31, 1937, the company was able to report its first net profit, after charging depreciation and all interest, since 1931. Net profit of $14,857, however, only provided a small margin of earnings above fixed requirement and it is understood that the report for the year which has just ended will show considerable reduction from this level. It is believed, however, that the company was able to cover bond interest. Maple Leaf Milling Co. has been successful in keeping its plant operating at a comparatively high rate of capacity, chiefly due to obtaining of considerable custom milling business from United States concerns.

St. Lawrence Flour

The St. Lawrence Flour Mills Co. operates a flour and feed mill on the Lachine Canal. Principal markets for the company's products are in Newfoundland, Maritime Provinces and Quebec.

The company has $575,000 in 7% cumulative preferred stock and 36,000 no par value common shares outstanding, both listed on the Montreal Stock Exchange.

Regular dividends have been paid on the preferred for over 20 years. About the end of 1936 the old common stock was split three for one and a regular dividend payment basis of $1.00 a share annually established on new stock. The company has no funded debt.

Earnings on the preferred stock have been sufficient to cover the $7 dividend by a wide margin in each of the past several years, although final figures for the year ending August 31, 1938, are not yet available. In the year ended August 31, 1937, net profits were equivalent to $19.53 a share on the preferred with a balance of $2 a share available for the common. Balance sheet as at August 31, 1938, when it appears will reflect the writing down of goodwill account from $930,224 a year ago to $1, with a corresponding reduction in the book value of the common stock.

Lake of the Woods

Lake of the Woods Milling Co., makers of the "Five Roses" line of flour has mills at Brantford, Montreal, Medicine Hat, Portage La Prairie and Keewatin. Combined capacity of the mills is approximately 20,000 barrels of flour per day. The company also operates a chain of 125 grain elevators with a combined storage capacity of about 3.5 million bushels. The company has extensive baking interests both in eastern and western Canada. In Ontario and Quebec, the company's subsidiary, Inter City Baking Company, operates plants at Montreal, Toronto, Ottawa and Hamilton. Negotiations for the sale of Lake of the Woods interests in Inter City Western Bakeries to George Weston Ltd. are partly completed.

The company has $4 millions of 6% first mortgage bonds, held by the banks as collateral for loans. Its capitalization includes $1.5 million of 7% cumulative, non-redeemable, preferred stock, and 137,689 common shares, both listed on Montreal and Toronto Exchanges. From 1931 to 1935 the company suspended dividend payments on its preferred. Payments were resumed in December, 1935, and at the end of last year arrears had been reduced to $7 a share.

Earnings per share on the preferred were $21.91 in the year ended August 31, 1937, with a balance of $1.51 available for the common. In company with other milling companies, it is doubtful if Lake of the Woods will be able to reach last year's level of profits when its report appears in October.

Ogilvie Flour Mills

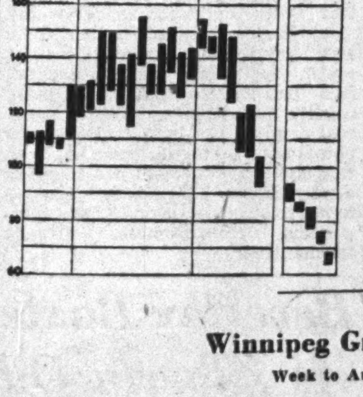
The Ogilvie Flour Mills Co. operates eight mills, manufacturing flour, meal, cereals, foods manufactured from grain or cereals and their by-products at various points in Canada. The company's mills have a total daily capacity of 16,500 barrels of flour and 2,250 barrels of cereal products. In addition, the company owns nine terminal elevators and 154 country elevators in western Canada having a total storage capacity of about nine million bushels of wheat. One of its subsidiaries is Consolidated Bakeries of Canada.

Capitalization includes $2 millions of 7% non-callable preferred and 600,000 no par value common shares. Both classes of stock are listed on the Montreal and Toronto Exchanges. The company has an unbroken record of dividend payments which is difficult to duplicate in Canada, the 7% preferred dividend being paid regularly each year since 1902 and payments being made on the common since 1904.

Investment interest in the company's common stock has been considerably increased since the stock was split on the basis of eight new shares for one old early this year. On the new stock the company is paying regular dividends of $1 a share annually, equivalent to the old $8 dividend on the former stock.

Ogilvie Flour is somewhat unique in that it has built up an investment account from which in recent years it has obtained almost as much income as from its milling operations. In the year ended August 31, 1937, the company had a net profit equivalent to $53.11 a share on the preferred and $12.30 a share on the old common.

Wheat Prices



(Cash Quotations)

	For Week Aug. 30 High	For Week Aug. 30 Low	Prev. Week High	Prev. Week Low
1 Northern	.68⅛	.64¾	.76⅜	.72½
2 Northern	.66⅛	.62¾	.74⅜	.71½
3 Northern	.64¾	.61¼	.72⅜	.69½
4 Northern	.58¾	.56¾	.62⅝	.61⅜
5 Wheat	.51¾	.48¾	.54⅜	.53⅜
6 Wheat	.45¾	.42¾	.48⅜	.47⅜
Feed Wheat	.42¾	.39¾	.45⅜	.44⅜

Competitive Export Prices:
Aug.-Sept. shipments:

	Week to Aug. 30 High	Week to Aug. 30 Low
No. 1 North. (Van.)	.86½	.82⅜
No. 3 North. (Atlan.)	.84¼	.80⅛
Australian (afloat)	.80½	.79¾
Indian (choice Karachi)	.84¼	.79
U. S. Hard Winters	.85	.82⅝
U. S. White Pac.‡	.78⅞	.76¾
Argentine Barusso	.83⅜	.82½
Russian†	.73½	.69⅛

†New crop.
‡Loading.

Winnipeg Grain Futures

Week to Aug. 30, 1938

Crop year from Aug. 1, 1938 High	Crop year from Aug. 1, 1938 Low		Open Aug. 24	High for week	Low for week	Close Aug. 30	Close year ago
		Wheat					
.77⅜	.62⅜	Oct.	.67⅝	.67¾	.62⅜	.62⅜	1.22
.76⅜	.61½	Dec.	.67	.67	.61⅛	.61⅜	1.18¾
.77¼	.62⅝	Nov.	.65¾	.66	.62⅝	.62⅝	.....
.79⅛	.65⅛	May	.70⅛	.70¼	.65⅛	.65⅜	1.20⅛
		Oats					
.32⅞	.29¾	Oct.	.31⅜	.31½	.29¾	.29⅞	.44⅜
.30⅝	.28⅜	Dec.	.29¾	.30⅛	.28⅜	.28½	.44⅜
		Barley					
.45	.36¾	Oct.	.38¼	.38¼	.36¾	.36¾	.55
.44⅛	.36½	Dec.	.37⅞	.38	.36⅜	.36⅞	.53⅜
.44⅜	.37⅛	May	.39⅜	.39⅝	.38⅜	.38⅜	.53⅞
		Flax					
1.43⅜	1.40⅜	Oct.	1.41¼	1.41⅜	1.41	1.41	1.73⅛
		Rye					
.46½	.38⅜	Oct.	.40¼	.40⅛	.38⅜	.38⅛	.86⅜
.47⅞	.39¼	Dec.	.40¼	.41⅜	.39¼	.39½	.83½
.47⅜	.42	May	.43½	.44	.42	.42¼	.85⅛

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG MONTREAL VANCOUVER TORONTO [illegible]

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President FRANK S. MEIGHEN, C.M.G.
General Manager C. H. G. SHORT
Vice-President HUGH MACKAY, K.C.
Directors
C. H. G. SHORT, JOHN W. HOBBS, HUGH MACKAY, K.C.
WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD
J. W. PYKE, PAUL F. SISE, G. W. ALLAN, K.C.
FRANK S. MEIGHEN, C.M.G., RT. HON. LORD SHAUGHNESSY, K.C.
Secretary D. A. MacINNES
Treasurer R. B. HUTCHISON

A Complete Investment and Trading Service
STOCKS ... BONDS
GRAIN .... MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

NORRIS GRAIN COMPANY LIMITED
PRIVATE WIRE SYSTEM
GRAIN—STOCK—BONDS
Principal Offices:
WINNIPEG, TORONTO, MONTREAL, VANCOUVER, VICTORIA

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
Grain Commission Merchants — Shippers and Handlers of All Grains
Head Office: WINNIPEG, CANADA

Commodities

Industrial commodities with some minor exceptions continue steady to firm. General indices, on the other hand, were off slightly this week due to continued declines in wheat and other agricultural products.

Recent weakness of wheat has been less pronounced than a few weeks ago and there is more appearance of relative stability than for some months. War scares have had comparatively little effect, wheat dropping a cent both at Chicago and Winnipeg in the face of the alarming rumors this week. Until the United States Government arrives at some definite policy regarding the disposal of its current large crop and considerable carryover, nervousness in this important commodity may be expected to continue.

Buying of other commodities in both Canada and United States appears to be gaining impetus but so far there has been no rush to load up nor is there expected to be, barring outbreak of war, in the months immediately ahead.

Price Range

	Latest week	Previous week	Same week year ago
Cattle	$7.35	$7.35	$10.00
Hogs	9.75	10.65	10.75
Copper, lb.	.10⅛	.10⅛	.14
Cotton, lb.	.0842	.0840	.1080
Rubber, lb.	.1657	.1632	.1881
Sugar, raw, lb.	.0275	.0276	.0290
Silk, lb.	1.79½	1.73	1.94
Wheat, Man. (bus.)	.62¼	.64	1.15
Coffee, lb.	.05¾	.05½	[illegible]
Hides	.10½	.10½	.15
Weekly Indices			
Canada (D.B.S.)	75.8	76.0	[illegible]
U. S. Labor	77.9	78.0	[illegible]
Crumps (Brit.)	73.4	73.6	[illegible]
Fishers'	79.6	79.9	[illegible]

Monthly Indices

	Latest month	Prev. month	Same month year ago
Canada (D.B.S.) Retail (July)	78.6	78.5	[illegible]
W'sale (July)	78.6	80.0	[illegible]
U. S. (June)	[illegible]	[illegible]	[illegible]
Gt. Brit. (Apr.)	103.1	104.1	[illegible]

Note: The base of indices is 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., Toronto; Copper—electrolytic, New York; Sugar — 96 degrees centrifugal, New York; Silk — Japanese, 13-15 New York; Wheat — No. 1 Man. North, Ft. W.; Pt. A. Basis; Hides — No. 1 packer light, [illegible]

Your Investment Questions Answered Without Charge

As a subscriber to The Financial Post you are entitled to information regarding any Canadian investment that you are interested in.

If not already a subscriber, address your enquiry to The Investment Department when sending in your subscription.

USE THIS COUPON

THE FINANCIAL POST,
481 University Ave.,
Toronto 2, Canada.

Please send me The Financial Post for the next year (52 issues). I enclose $5.00.

Name ....
Occupation ....
Address ....................F.P.

Week in Mining

Market Dip Quietens Some Chart Readers

At Least They Will Have to Stop Calling for Technical Reaction After Week's Early Performance—Confidence, 1938 Such-As-It-Is Brand

From Our Own Correspondent

Mr. Hitler is being blamed for almost everything.

Instead of his bellicosity, his madness or his moustache, we blame him for his timing.

It was not until Saturday noon that the press of this continent got really warmed up to the latest crisis. By the time readers found out that the press saw a major crisis, it was too late to sell stocks.

Hence, there was a whole week end in which stockholders could sit around, worry over Europe, and wonder how much money they would lose on Monday by the time their sell orders were put through.

There was also a week end for the professional bears to get set.

Monday's result was a surprise to nobody. Everybody was asking for it and they got it.

Weird

The fact that the market bounced up again Tuesday is being attributed by some closer observers, perhaps a bit cynically, far less to the calming of the Czech tempest than to the calming of public fears built up over that week end.

• • •

There are two types of stocks this column is concerned about, gold and base metals. If war actually did come in Europe, isn't there a pretty good likelihood that there would be boom times ahead for the base metals. And yet Noranda went skiting off almost six points. Things like that don't make sense even in a weird world.

• • •

Ride

Or take the golds. For anybody who wants to see, the newspapers have been filled in past months with the best type of confirmation possible that gold is still considered by big investors and by governments as the safest ultimate form of wealth and basis for currency. The gold rush still continues. The pound has finally worked itself through its old 4.86 par, down into the region which, some say, will lead to 4.70 before upswing and stabilization will come.

However, a lot of people had a nice exciting ride, with the bears pushing, and perhaps the market will be better off for it. At least the chart readers won't be able to go on saying that we have to wait for that technical reaction.

To go back to Europe, unless somebody in the diplomatic-official circle makes a slip, the market should soon recover much of what recent years have come, rather gratuitously and inaccurately, to call "confidence."

• • •

To Chew On

Explanation of Consolidated Smelter's somewhat enigmatic statement of this week is not yet forthcoming. In one of that company's rare announcements, it was stated that S. G. Blaylock has been promoted from his former post of vice-president and general manager to the post of vice-president and managing director of the company, with jurisdiction over the operating departments, including mining and exploration.

Last week, we printed the well-sourced rumor that J. J. Warren and W. M. Archibald were about to retire from the company. No further statement on this is yet forthcoming. Meanwhile, J. J. Warren is on the Atlantic headed for England.

Implication of the officially announced promotion of Mr. Blaylock has been one of the most interesting pieces of news the mining community has had to chew over for some time. It would appear that Mr. Blaylock, as director of exploration (among other things), is assuming responsibilities formerly on the head of Mr. Archibald, who had the official title of vice-president in charge of mines.

Just what this means, Smelters does not yet explain. Mr. Archibald is understood currently to be somewhere in one of the remote mining fields.

• • •

Hockey

Mr. Blaylock is personally extremely popular in mining circles. He is widely given most of the credit for the magnificent industrial organization into which the Trail smelter has been built.

His system of industrial relations has carried his name far and shows that he knows how to handle men, how to get the most out of them. His system was borne that day when he, a brash university graduate, stepped off the train at Trail into the midst of a long and bloody miners' strike. His orders were to settle it. He started settling it that night by giving as much as he took in a fairly rough-house hockey match with striking miners. Besides he played spectacular hockey.

His system hasn't changed much. Proof of the pudding is that there has never been a strike at Trail since; that the company has been able to pay relatively high wages, give employees with profit-making ideas a pretty good share of those profits, and at the same time put a reported $26 millions into exploration of other properties.

With properties in almost every mining camp of Canada, the mining industry of the whole country is wondering what the announced Blaylock promotion will mean.

• • •

Focus

Robert Stanley, president of International Nickel Company, has just been elected a director of the Holland House Corporation of The Netherlands. This is an association of leading Dutch and American commercial and banking interests who are joining forces in a move to develop closer business and financial relationships between America and The Netherlands. Holland House is intended to serve as a clearing house for trade and financial transactions between the two countries providing a focal point for the establishment of contacts and for initiating and carrying on negotiations.

• • •

Apple Diversion

Almost half a century ago, J. B. Tyrrell mushed his way through a sub-Arctic wilderness, on the path taken by the storied explorer Samuel Hearne.

Last week, with almost 80 years of age on his head, many honors from universities and professional societies to his name, and a knapsack on his shoulder, Dr. Tyrrell goes back; this time by airplane, sweeping him over lands he helped chart, over hills and rivers to which he gave names.

He is probably the oldest and one of the most famous of recent pilgrims to Canada's new prospecting mecca—the Yellowknife.

Growing apples in the valley of the Rouge River, an idyllic rural setting near Toronto, writing history and collecting and tending a vast array of unique clocks has been "J.B.'s" main interest in recent years.

From apples and history he now takes a holiday. He insists that his trip is nothing more. That he is not going to stake property, that he is not "taking a look" for anybody. Just a "diversion."

Canadian Pacific Express
TRAVELLERS CHEQUES
Safe to carry. Good wherever you go. Obtainable from all Canadian Pacific Agents and most banks.

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2 single, $3 double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

30 STORIES OF HOSPITALITY
In the Smart East Fifties
Opposite the Waldorf-Astoria
● Quiet dignity for your background. Every measure of comfort — Spacious rooms, beautifully furnished— Plus convenience of location . . . Excellent restaurant and duplex cocktail lounge . . . air-conditioned.
Single Rooms $4-$5 • Double $6-$7
Suites from $8
Special monthly and yearly rates
The Beverly HOTEL
William A. Buescher, Manager
125 EAST 50th STREET • NEW YORK

Investors' Chronicle
6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

Sladen Malartic Profit $170,000 for 1st 7 Mos.

Profits of Sladen Malartic Mines for the seven months from the commencement of milling late in January this year, to July 31, amounted to $170,000 after charging off shaft sinking and other development expenses.

Production for the period is reported at $357,000 from 55,000 tons of ore milled, an average recovery of $6.49 per ton. During June and July mill heads were lower than the mine average due to shaft sinking and the milling of development ore. June production was $56,264 from 9,502 tons, an average of $5.92 per ton. It is expected that average mill heads will be increased in September from slightly less than $6 per ton for June, July and August. Shaft sinking to 1,200 ft. with the bottom level at 1,175 ft. will be completed about Oct. 1, 1938. The shaft is now down 1,080 ft. It is planned to increase mill capacity to 450 or 500 tons about the year end from the present rate of 250 to 300 tons.

All Is Quiet On 32B Front

All is quiet this week on the 32B front.

Mine officials have been sitting tight. So have income tax officials.

No conference of mine and tax officials has yet been arranged, The Post learned from Ottawa. "We are still waiting for everybody to cool off," a departmental officer stated.

Probability that a further step on the Read Authier case will be taken during the coming week has been indicated.

Because of the large sum of money involved and the principles at stake, this decision is eagerly awaited by the mining community as a very significant indicator of what may generally be expected under the new amendment.

Surf Inlet Gets New Leadership

Eastern Group to Provide Money for Further Development

From Our Own Correspondent

VANCOUVER.—Eastern interests have taken over control of Surf Inlet Consolidated Gold Mines and will provide the necessary finances for developing the property. A new Board was chosen at an adjourned meeting of shareholders and it was announced that J. B. Woodworth has contracted to sell all his interest in the company.

The new Board comprises E. L. Norton, of New York, director of South American Gold & Platinum Company; Donald G. White, of Buffalo, of White Aircraft; J. R. Pyper of Kamloops, a director of Sheep Creek Gold Mines; Ewart L. Petley, New York financier, and T. E. Wilson. It is probable that A. H. Sawyer, who has served the company in the past, will continue as chief executive officer, representing the Petley interests here.

Charles Mentzel, New York consulting engineer, who previously reported on Surf Inlet, will probably be retained to continue plans for future development. The company is now handling about 70 tons of ore daily, and a crew of 65 men are working.

During the past year production has been kept down partly to keep abreast of necessary development work. It was also felt desirable to preserve ore until such time as mill recovery warranted a step-up in capacity.

It is probable that the company will now be in a position to replace machinery and equipment said to be obsolete.

Oriole Calls Meeting For Sale of Property

A special meeting of shareholders has been called by Oriole Mines on Sept. 8, to ratify sale of its property to a new company to be formed with a capitalization of 3,500,000 shares of which Oriole will receive 1,000,000 shares.

Colonel C. D. H. MacAlpine who made the offer to form the new company has agreed to purchase 500,000 shares and is granted options on an additional 1,000,000 shares, to yield a total of $450,000 if all shares are taken up.

Seven adjoining claims are to be transferred to the new company for a consideration of 125,000 of its shares if the deal goes through.

Oriole is asked to option 69,208 of its 1,000,000 shares in the new company to Colonel MacAlpine at 15 cents to be taken up not later than a month after the release of shares from escrow. The new company is to loan Oriole up to $7,500 for debts and maintenance while options remain in force. These loans are to be repaid when the 69,208 shares are taken up. As at Aug. 15 Oriole had current assets of $8 and current liabilities of $5,034.

Mining Company Options

Adanac-Quebec Mines—An extension of 90 days has been granted options on 697,330 shares at 5 to 10c. per share. Thos. Reilly Investments, optionee, has purchased 54,266 shares.

Barber-Larder Gold Mines — June 14 option agreement with G. Firth on 200,000 shares at 40c. has been terminated; 18,000 shares were purchased.

Battery Gold—Agreement covering option on 400,000 shares at 15 to 23c. per share has been assigned by Robt. Malcolm to Cateros Ltd.

Chan Yellowknife Gold—June 6 agreement with Milton Flynn covering 200,000 shares at 22 to 25c. has been extended three months from Aug. 16, 1938.

Crowshore Gold Mines — On Aug. 18, Chas. Cantwell purchased 100,000 shares at 10c. per share, payable $5,000 by Sept. 5 and $5,000 by Oct. 5; an option was granted on 600,000 shares at 15 to 60c. per share with first installment on 100,000 shares due Dec. 5. Company incorporated, Oct., 1936; authorized capital 3,000,000 shares with 1,800,005 shares issued.

Do So Yellowknife Gold Mines—On July 22, Trans-Cambrian Investments Co., agreed to purchase 100,000 shares at 4c. payable within 60 days. Trans-Cambrian Investments Co. has taken up 12,500 shares and has defaulted on payments due July and Aug. 22.

Poundmaker Gold Mines—An extension of 90 days has been granted H. C. McRae & Co., on its option agreement on 1,600,000 shares.

Faulkenham Lake—Balance of Aug. 20 installment comprising option on 18,000 shares at 15c. has been taken up. Next installment is 75,000 shares at 17½c. due Sept. 20.

Gillies Lake-Porcupine Mines — Canopac Trading Corp., Ltd., purchased 175,000 shares at 12½c. per share by agreement of Aug. 19.

Kirkland Gateway Gold Mines—On June 14, 1938, Dothan Mining & Development Co. Ltd., purchased 25,000 shares for $5,000 and received option on 1,550,000 shares. The 25,000 shares purchased were taken up and the option surrendered.

Lardego Gold Mines—Option held by H. J. Picard on 1,200,000 shares has been terminated.

Pasha Gold Mines — On July 21, Paul Fahrenholtz optioned 1,900,000 shares payable 100,000 shares at 3c. within 30 days, 100,000 at 4½c. within 60 days, 100,000 at 5c. within 90 days and balance at 6½ to 25c. within 625 days. Company incorporated, July, 1938; authorized capital 3,000,000 shares with 1,000,005 shares issued.

Planet Gold Mines — Agreement with Radford & Co., Toronto, covering 1,000,000 shares at 5 to 50c. has been terminated.

Porcupine Goldor Mines—Option held by M. D. Taylor on 1,320,000 shares has been terminated.

Relac Mines — On June 27, Noel H. Knowles Ltd., agreed to purchase 100,000 shares at 5c. payable within six weeks and received option on further shares. Co. advises only $1,000 paid and agreement terminated.

Thompson Cadillac Mining Corporation—Option dates on 150,000 shares have been extended as follows: 50,000 shares at 27½c. to Sept. 7; 50,000 shares at 30c. to Oct. 7, and 50,000 shares at 30c. to Dec. 7.

Great Future Market Pictured In Dominion's Last Frontier

"Geographically, in the Dominion, we are in process of crossing our last great frontier," declares Gilbert La Bine, president of Eldorado Gold Mines, writing in the September issue of the Toronto Stock Exchange bulletin.

"Industry has a foothold on the rim of the Arctic since the milling of silver-radium ores is carried on less than 30 miles from the Circle. The chief centre of interest for mining engineers this summer is around Yellowknife and the Great Slave Lake area. There has been more activity in the Northwest Territories during the last five years than during the preceding century and a country long famous in fiction is now becoming known in fact.

"It is an enormous area and even the repeated reminders that two fifths of all of Canada and 10% of the whole British Empire lie within its borders do not give a real picture of its vastness. And today with a gold rush at its height in one section, radium mining soundly established on Great Bear Lake and development proceedings at half a dozen other points, there are fewer whites in its population than you will meet in any five-minute noon-hour stroll on Bay Street.

"This is the largest single section of Canada. Around 1930 when the rest of the world was slumping, there were the first stirrings of a sub-Arctic boom. It was mining which did it of course and on mining the whole future appears to depend.

"One reason why we did not advance into that huge expanse of open spaces earlier was because we were not equipped to do so until very recently. The Northwest Territories are unsuited to anything but the most modern methods of transportation and communication. This does not look like a country in which to build railroads. It is doubtful whether roads will ever hold the importance there that they have in older portions of the continent and much of the topography is unsuited even to walking.

"Air travel may always be the normal method of handling express, mail and passenger traffic, even if the population should pass the million mark and radio will be the most efficient and sensible means of communication. With the air, the waterways will form its trade routes. The Mackenzie River system ranks in size with either the Mississippi or the Amazon. For most of the area, normal operating procedure for the lifetime of the present generation will be to move freight by water during the short navigation season to take care of a year's needs, supplementing this with air shipments during the long winter periods.

"The country will never be settled in the sense that older Ontario or even northern Ontario is settled. The communities will tend to be isolated ones with great gaps of empty country between them just as trading posts are now scattered across the Territories at widely-spaced intervals. If it becomes an area of great mines it will provide the rest of Canada with a huge market because in lesser degree than any other portion of the Dominion will it be able to meet its own needs.

Here, at a time when most Canadian manufacturers are searching ceaselessly for wider markets, is one that has great possibilities. How great a market this will prove to be and how much it will mean to the factories and the farms of the rest of Canada depend almost entirely on what the prospector and mining engineer are able to do with it.

Int'l Mining 6 Mos. Net 24c

Net Asset Value $13.42 Per Share as at June 30

Net profit of International Mining Corporation for the six months ended June 30, 1938, amounted to $123,426, equal to 24 cents a share, as shown by the company's income and surplus account. This compared with $179,421, or 32 cents a share, for the same period of the previous year.

Investments transactions account, which gives effect to profits made on security transactions and expenditures for mine examination and exploration work, showed a profit of $39,770 on sales of securities, and expenditures of $51,992, leaving a net loss of $12,222 in this account for the first six months of the year.

The net asset value, as at June 30, 1938, of the common stock in the hands of the public was $7,025,791 or $13.42 per share, after deducting $256,834 reserve for mining ventures, $65,000 for contingencies, $7,600 for income taxes and $470,000 taxes on unrealized profits on securities, which under the existing laws would have been payable in 1939 had the securities been sold at the closing quotations June 30, 1938. No allowance has been made for undistributed profits tax.

At June 30, 1938, there remained outstanding 47,239 warrants to purchase stock at $10 per share. If all these warrants had been exercised the net asset value would have been $13.14 per share.

Cash, at June 30, 1938, amounted to $713,453 and receivables totalled $20,883. Accounts payable were $8,649 and taxes were estimated at $90,077.

Income and Surplus Account
Six Months Ended June 30

	1938 $	1937 $
Income:		
Dividends	202,131	256,706
Interest	1,868	6,425
Other income	......	883
Total income	203,999	264,014
Less: Employ's' comp.	24,008	25,162
Off. & travel exps.	8,156	7,482
Rents	5,230	4,735
Legal & audit exps.	8,589	4,585
Reg. & trans. agents, etc.	3,718	6,065
Directors' fees	1,660	1,040
Interest	......	196
Foreign exchange	2,331	*715
Taxes (other than income)	19,281	25,043
Income taxes	7,600	11,000
Net profit	123,426	179,421
Less: Dividends	123,426	168,393
Surplus forward	......	11,028

*Credit.

Earns. per Share and Dividend Record:		
Common: Earned	$0.24	$0.32
Paid	0.25	0.30

Coal Mine Mechanization Advocated by Engineer

Canada must proceed with the mechanization of her coal mines to as great a degree as possible if she wishes to retain her markets, was the view expressed by T. L. McCall, coal mining engineer of Dominion Steel and Coal Corporation, in an address before the mining society of Nova Scotia at Sydney recently.

While Mr. McCall did not believe that every operation underground would be mechanized, he stated he was convinced that the regular routine operations would be mechanized. The working out of the more readily accessible and better grade coal deposits has increased costs, he points out, and the outcome has been that the operator is forced to make a greater use of machinery in attempt to stem costs and to meet competition from mines already mechanized.

Wood Cadillac Develops Ore at 375-ft. Level

Wood Cadillac Mines has developed a length of 123 ft. of continuous ore at the 375-ft. level with the entire face in ore, according to a report received from Julius M. Cohen, the company's consulting engineer. The vein is from 5 to 8 ft. in width and car samples for the first 116 ft. (for which assays are available) ran from $2.10 to $106.75 per ton, the average of 25 car samples being $14.55 per ton.

On the 250-ft. level a crosscut is being driven to intersect the half-ounce values cut in diamond drill hole Nos. 28 and 30. There has already been developed on this level over 400 ft. of material that can be considered of ore grade, Mr. Cohen states.

On the 500-ft. level, a 250-ft. crosscut is being driven south to cut the greenstone porphyry contact. The contact will be drifted on to the east, where high values were cut in diamond drill No. 12.

Install Mining Equipment At Canadian Cadillac

Canadian Cadillac Gold Mines, developing a property in British Columbia, has completed arrangements for the installation of additional equipment, and the company plans to pursue a policy of shipping high-grade ore to the smelter as development progresses.

At the present time there is stated to be roughly one year's supply of ore in sight for a 100-ton concentrator, with an estimated total value of approximately $818,990, and an average value of $29.75 per ton.

Crosscutting at depth has intersected eight different ore shoots roughly paralleling each other. It is anticipated that a second year's ore supply can be placed in sight in a comparatively short space of time and it is hoped that construction of a concentrator can be commenced early in 1939.

Mining Dividends

	Rate	Close Aug. 29	Yield %
Anglo-Huronian	10c	3.15	3.2
Beattie Gold	10c	1.12	8.9
Bralorne	60c+30c	9.50	*9.4
Buffalo Ankerite	$1	15.25	6.3
Bulolo Gold	$3	28.25	10.6
Can. Malartic	6c	.90	6.6
Cariboo	10c+4½c	2.45	*6
Central Patricia	12c	2.33	5.1
Coniagas	25c	1.50	..
Coniaurum	‡5c	1.35	..
Cons. Smelters	50c+50c	54.50	..
Dome Mines	$2	33.50	5.9
Falconbridge	30c	5.65	5.3
Gunnar Gold	†3c	.66	4.5
Hedley Mascot	12c+3c	1.20	*12.5
Hollinger	65c+45c	15.00	*7.3
Howey Gold	4c	.26	..
Hudson Bay	$1.75	28.89	..
Inter. Mining	35c	9.50	..
Int. Nickel, com.	$2+25c	47.00	*4.7
Island Mountain	5c	1.36	3.6
Jack Waite	†1½c	.33	..
Kerr Lake	5c	.51	9.8
Kirkland Lake	8c	1.12	7.1
Kootenay Belle	9c+1c	1.38	*7.2
Lake Shore	$4+$1	52.00	*9.6
Lava Cap M.	8c	.90	..
Little Long Lac	20c	3.25	..
Macassa	20c	4.90	4
McGillivray Creek	3c	.21	..
McKenzie Red Lake	12c	1.12	10.7
McKinley Sec.	5c	.65	7.7
Noranda	‡$2	70.50	..
Nipissing	15c	1.63	..
North Empire	50c	8.60	5.8
Oro Plata	†4c	.50	..
Paymaster	‡1c	.45½	..
Pioneer, B.C.	40c	3.05	13.3
Pickle Crow	40c	4.90	8.1
Placer Develop.	$1.20	16.00	7.5
Premier	12c	2.35	5.1
Reno	6c	.38	..
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.93	*14.4
Silbak Prem.	†4c	2.00	..
Siscoe	20c+1c	2.05	*10
Sudbury Basin	10c	2.50	..
Sullivan Cons.	5c	1.00	4.6
Sylvanite	20c+5c	3.15	*7.6
Teck-Hughes	40c+10c	4.70	*10.4
Toburn	8c+4c	2.00	*5.7
Ventures	37½c	5.30	6.8
Wright-Harg.	40c+30c	7.50	*8.9

†Initial.
‡Interim.
*Yield includes bonus.

Beverley Baxter Unable to Act As Alberta Oil Representative

Beverley Baxter, British member of Parliament, informs The Financial Post that he is not becoming the British representative of the Alberta Petroleum Association, as reported in some newspapers and in a number of brokers' letters.

Mr. Baxter told The Post that he had had no communication whatsoever from the oil producers and did not understand the source of the rumors that he was to act as the liaison officer between Turner Valley crude producers and British consumers, notably the Admiralty and the Air Force.

The mining editor of a Toronto daily newspaper stated that he had been commissioned by Alberta producers to be their spokesman with Mr. Baxter. Inference of his claim was that he had an appointment with Mr. Baxter whom he would ask to accept a "voluntary unpaid post" as the oil industry's agent in London.

Mr. Baxter told The Post that he had not received any such proposal and would not be able to accept it, if it were offered.

Reno Will Drive New Deep Tunnel

Lowered Dividend Rate Allows Expansion of Exploration

With the declaration of a quarterly dividend of 1½ cents per share payable Oct. 1, to shareholders of record Sept. 10, directors of Reno Gold Mines have reduced the dividend rate from 12 to 6 cents per annum. An expanded programme of development is planned following this step, including the driving of a new tunnel to be known as the 4900 tunnel. It is expected that this programme can be financed and the lowered dividend rate maintained without impairing the working capital position of approximately $365,000.

A long crosscut tunnel put out from the Reno No. 5 level to prospect the area north of the Reno vein including the Middle, Donnybrook and Lake veins, gave disappointing results with no commercial ore developed. A new vein was located south of the Reno vein by diamond drilling and it is planned to drive a tunnel to develop this vein.

In order to further prospect the favorable formation between the Motherlode and Reno veins, a tunnel known as the 4900 tunnel is to be driven at a point above the mill and the site has already been faced off. This tunnel will cut the Motherlode and other veins at depth. Additional ground has been purchased to round out holdings in the favorable area.

Noorduyn Craft Acquires Rights

Will Build Fast Monoplane of a Type Used by British

From Our Own Correspondent

MONTREAL.—Noorduyn Aviation Ltd. will manufacture advance military training airplanes similar in type to 200 Great Britain recently ordered from the United States, according to R. B. C. Noorduyn, vice-president and general manager.

Noorduyn Aviation has acquired Canadian manufacturing and sales rights on the training planes from North American Aviation Inc., of Inglewood, Calif. It is the intention to manufacture the two-seater, low-wing monoplane at the Noorduyn factory at Cartierville.

Start New Line

So far the company has built only Noorduyn Norsemen transports for freight and passenger service. Four such ships were adapted for "Flying Classroom" used by the Royal Canadian Air Force.

Last week the Montreal brokerage firm of Holt, Rankin and Child purchased 10,000 shares of the company's stock at $5 each. Further, the purchasers have been given an option on an additional 80,000 shares at the same price.

Sunray Oil Development Turner West Flank Test

Sunray Oil Development Co. has completed initial financing arrangements with a Montreal group for the drilling of a well on its property, the southeast quarter of section 13, in township 19, on the west flank of the Turner Valley. If the well is successful, it will not only be important to the company, but will extend the producing area a considerable distance west.

The group financing operations is headed by Chas. G. Beausoleil and is the same group which financed the drilling at Commoil Ltd.

The company's geologist, John Russell of Calgary, feels that while deeper drilling will be necessary, the results will more than compensate. Work at the property is already under way.

Ward Lake Gold Mines is reported to have completed financing for exploration of its properties in the Michipicoten area including former Parkhill property. In addition to receiving one Ward Lake share for each 10 Parkhill held, Parkhill shareholders have right to take up limited numbers of Ward Lake shares, with vendor stock given as bonus on share-for-share basis.

Perron Gold Mines is understood to be negotiating with Pascalis Gold Mines for a revision of its option agreement on the latter's property. Under the present option agreement Perron would have to increase its capital by 2,000,000 shares which would be issued to Pascalis before the end of the year. A recent report on the Pascalis property is said to recommend payment of 400,000 shares.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Northern Empire (Gold) Mines, Limited
We have prepared a survey and analysis of this property which we will be pleased to forward upon request.
A. E. OSLER & CO.
Established 1886
Members Toronto Stock Exchange
Osler Building, 11 Jordan St.
TORONTO
ADelaide 2431

We have available a special analysis on
PAMOUR PORCUPINE
MINES LIMITED
Copies available upon request
C. A. GENTLES & CO.
347 Bay St.
TORONTO
ADelaide 4012
Members
The Toronto Stock Exchange
Montreal Curb Market
Canadian Commodity Exchange (Inc.)
276 St. James St. W.
MONTREAL
PLateau 4881

Ontario Gold Production Makes Record During July

Output of crude gold bullion by 52 gold mines of Ontario created a new record for monthly production in July, amounting to $8,894,877, as against $8,203,982 in June, $8,252,574 in May, and $7,530,394 in July of last year.

Several new producers commenced milling operations in June and are included for the first time in production for July. Two of the newcomers, Hallnor and Porcupine Lake are located in the Porcupine area. In addition there were Sachigo in the Patricia district and Magnet Consolidated in the Little Long Lac area, the latter shipping ore to the Tombill mill of Northern Empire.

The Porcupine camp increased its lead over Kirkland Lake as Canada's largest gold producing field during the month. Porcupine July production amounted to $4,174,770 as compared with $3,124,614 from Kirkland Lake for the same period.

Comparative figures covering the monthly output of Ontario's gold mines during 1937-1938 follow:

	1937		1938	
	Tons milled	Value $	Tons milled	Value $
Porcupine Camp:				
First quarter	1,045,552	9,602,593	1,117,477	10,393,065
April	350,011	3,072,697	394,526	3,535,140
May	349,964	3,206,201	409,099	3,583,219
June	351,174	3,245,556	385,299	3,597,087
July	364,190	3,340,497	408,004	4,174,770
Kirkland Lake-Larder Lake Camp:				
First quarter	559,118	8,726,179	610,070	8,525,484
April	189,005	2,911,285	204,852	2,941,015
May	202,583	3,023,121	223,945	3,133,104
June	197,638	2,940,535	220,944	3,101,729
July	204,703	3,002,529	222,632	3,124,614
Matchewan:				
First quarter	109,343	399,724	124,392	485,457
April	37,747	144,729	41,256	162,216
May	40,430	164,202	42,845	167,066
June	41,373	156,308	41,563	177,639
July	39,380	162,394	41,810	178,942
Northwestern Ontario:				
First quarter:	292,353	2,595,512	337,604	3,458,352
April	99,051	850,877	112,173	1,109,732
May	106,339	922,275	134,393	1,369,185
June	107,172	1,062,435	132,578	1,327,550
July	104,607	1,024,974	138,733	1,416,551
Total for Ontario:				
First quarter	2,006,364	21,324,008	2,189,543	22,862,318
April	675,814	6,979,588	752,807	7,748,169
May	699,316	7,315,799	810,282	8,252,574
June	697,357	7,404,834	780,384	8,203,982
July	712,880	7,530,394	811,179	8,894,877

What's What In Advertising

By JEAN R. GEMMELL

Sherman K. Ellis, Toronto, are releasing copy for Hot Shot anti-freeze, a product of Gooderham & Worts to trade papers for their September issues. Some poster advertising will also be used in this fall and winter campaign.

• • •

Frank Ryan, formerly vice-president and general manager of radio station CKLW, Windsor, joins the staff of the Hudson's Bay Co., Vancouver, on September 15 in the capacity of public relations counsel. Mr. Ryan was previously with Cockfield Brown & Co., advertising agency, Toronto.

• • •

Daily newspapers in metropolitan centres will be used by Julius Kayser & Co., in their fall advertising campaign which breaks Sept. 22 across Canada. Sherman K. Ellis, Toronto, are in charge of the account.

• • •

The John B. Stetson Co. (Canada) Limited, will commence its fall advertising campaign shortly and for the first time will include magazines. It will use four-color pages in Maclean's Magazine featuring "Rod & Gun" colors and will also use daily newspapers throughout Canada as well as display material, posters and folders. Copy and instructions will be released through the Montreal office of Cockfield Brown & Co.

• • •

Gordon Rutledge has joined the staff of Canadian Magazine as director, Department of Canadian Understanding. Mr. Rutledge is well known in advertising circles, having been formerly connected with Saturday Night and Financial Post.

• • •

In order to build up an interest in the movies in Canada and to offset competition offered by other amusements, the moving picture operators in Canada have agreed to participate in a $1,000,000 "back to the box-office" campaig planned by the entire motion picture industry. At a meeting of Canadian movie leaders held in Ottawa, Gordon Lightstone, United Artists promotion chief in Canada, pointed out that the drive was intended to promote the general habit of attending motion pictures rather than to advertise any particular star, company or production.

• • •

H. & T. Kirby & Co. of London, Eng., manufacturers of an extensive line of pharmaceutical products and proprietaries, have opened an advertising account in Canada and have appointed Benison Co., Toronto, to handle the advertising. The object of the campaign is to make the name of Kirby better known in Canada.

Sorel Manganese Steel Castings Make Friends
Repeat orders from every mining centre of Canada are in themselves ample appreciation of the high esteem in which Sorel Manganese Steel Castings are held.
Very many of our customers have written voluntarily, giving comparative figures of Sorel Manganese Steel's outstanding wearing qualities.
We would be glad of the opportunity of proving to you that Sorel Manganese Steel Wearing Parts will give you better service.
SOREL STEEL FOUNDRIES LIMITED
Sorel & Montreal
Toronto Vancouver

Interest Revived In Old Mine Area

From Our Own Correspondent

WINNIPEG, Man.—Most interesting news locally in mining circles is the resumption of work on the Star Lake Mines, adjoining Sunbeam Kirkland in the West Hawk Lake district.

Money for the preliminary drilling contract has been paid over. Drilling equipment and crew have gone in and drilling is to commence immediately the hole is spotted, which will be done by Consulting Engineer A. J. McLaren, who plans to remain on the property until the first core is available.

The property, nearly 30 years ago, produced some gold from the 80-foot incline shaft and a considerable amount of surface work has been done. The spectacular discoveries at Sunbeam Kirkland have revived interest in this, one of the first mining areas in Manitoba and in addition to the Star Lake there are at least half a dozen other properties which are in process of exploration work

Legal Directory

Bonded with U.S.F. and G. Co.
A. PAPINEAU MATHIEU
B.C.L.K.C.
Attorney at Law
266 St. James W. Montreal, Can.
Write or wire re Quebec Mining Laws

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Barristers, Solicitors, etc.
WINNIPEG, CANADA

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. DANA H. PORTER
BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON."
TORONTO - CANADA

LANG & MICHENER
BARRISTERS, SOLICITORS, ETC.
DANIEL W. LANG, K.C.
D. R. MICHENER G. M. RICKETTS
H. S. DAY E. B. JOLLIFFE
372 BAY STREET, TORONTO
TEL. WA. 2931
CABLE ADDRESS "LAMER"

DAY, FERGUSON, WILSON & KELLY
BARRISTERS, SOLICITORS, Etc.
JAMES E. DAY, K.C. THOMAS J. DAY
ROLAND F. WILSON, LL.B.
ARTHUR KELLY H. EMERSON MARTIN
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

We Manufacture
Envelopes
for every purpose
Barber-Ellis
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

The Conditioning Club
Exercises, Badminton, Table Tennis, Turkish Bath, Showers, Massages and Sun-Bath. Individual attention.
9 RICHMOND ST. EAST. AD. 7437

GUTTA PERCHA
AIR DRILL HOSE
Specify "Duraflex" Cord Construction or "Efficiency" Duck Construction Air Drill Hose for rugged strength combined with lightness and flexibility. Their dependability and ease of handling speed up work on the toughest jobs.
GUTTA PERCHA & RUBBER, LIMITED
Branches Across Canada
HALIFAX ST. JOHN QUEBEC MONTREAL
OTTAWA • TORONTO • LONDON • WINNIPEG
REGINA SASKATOON CALGARY EDMONTON
VANCOUVER VICTORIA

The Week in Oils

Oil Men Ponder Why Few Wells Drilling

Despite Field Living Up to Optimistic Hopes and Indicating Long Life, New Wells Now Halved

From Our Own Correspondent

CALGARY.—In the third time in as many weeks proration of Turner Valley crude oil was boosted from 51% of potential to 56%.

Two weeks ago the increase was from 37 to 48%. A week later it was raised to 51%.

Local oil officials are worried over the lack of new oil development in Turner Valley, Despite the fact the field has been proven as one of the richest crude areas in the British Empire.

A year ago at this time, 35 crude wells were actually drilling in the field. Today there are 19. Most of them, however, are at a considerable depth and should be completed within the next few weeks.

Oil men are asking what will happen then. To maintain the intensive drilling programme of the past, at least a dozen new wells should be starting now. They are at a loss to explain the present slackening in development. The field, they say, has lived up to the most optimistic expectations, and with enforced conservation, should have a long life.

Turner Valley crude oil wells at current production are yielding a little more than $1,100,000 a month, a survey revealed.

With an allowable production of 29,600 barrels a day under proration at 56%, the industry is now the second largest in Alberta, the grain and field crop so far holding the lead.

If, however, the value of the gasoline extracted from valley crude, based on a price of 30 cents a gallon, to the consumer, is considered, the valley production is worth $186,800 a day, $5,604,000 a month or more than $67,000,000 a year.

On an average, Turner Valley companies receive $1.24 a barrel for their product. Thus an average return of $36,704 a day is received for 29,600 barrels of crude daily. In a 30-day month this means a return of $1,101,120. On a yearly basis, the return exceeds $13,000,000.

On an average, approximately 21 gallons of gasoline are extracted from each barrel of Turner Valley crude, containing 35 gallons. Thus some 621,600 gallons of gasoline are extracted from 29,600 barrels of valley crude daily.

These figures are based, of course, on allowable production of 56%. Some crude producers could produce a great deal more than the quota allotted at them. On the other hand, it is true that some producers have difficulty producing their quota under the 56% of potential regulation.

• • •

Fear Plant Closing

Closing of absorption plants representing an investment of approximately $1,500,000 and loss of employment by about 50 men is foreseen by Gas and Oil Products Ltd., operators of an absorption plant and refinery in the field, if gas production is cut drastically in the interests of gas conservation.

The present market demand of the gas company which supplies gas from Turner Valley to Calgary and other communities in southern Alberta is approximately 20,000,000 cubic feet a day. In addition about 4,000,000 cubic feet a day of valley gas are being stored by the gas company in the Bow Island field. Gas also is required as fuel for drilling wells, pumping, and other field purposes.

• • •

C. P. R. Co-operation

A committee is to be appointed by the Alberta Petroleum Association to decide what action should be taken to curtail shipments of Montana oil and gas into Alberta.

Even from a "purely selfish point of view" the Canadian Pacific Railway is prepared to co-operate with the Turner Valley oil industry in regard to freight rates on shipments of crude oil, according to a letter received by the association from G. E. Stephen, vice-president of the railway company.

The C.P.R. was approached by the association in regard to what were claimed to be unduly high freight rates on shipments of valley crude to points off the main line of the company through the Prairie Provinces.

• • •

Vulcan-Brown One

Producing at the rate of more than 200 barrels an hour or 4,800 barrels a day, with the tubing not connected, for more than 12 hours one day this week, Vulcan-Brown 1 was described as a remarkable south Turner Valley well by oil men.

When the well "kicked off," in accordance with the new regulations of the Petroleum and Natural Gas Conservation Board, a two-inch choke was applied. Following a test, the production rate upon which proration will be applied, will be determined.

Prior to acidization just given Vulcan-Brown, the well was rated as the second largest producer in the field, with a daily potential of 3,472 barrels a day. The Frontier well, largest in the field has a potential of 5,087 barrels.

Production of Vulcan-Brown is of special significance in view of its location about a mile to the north of intensively developed south Turner Valley.

News Concentrates

Afton Mines has called special meeting of shareholders for Sept. 6, to approve increase in authorized capital from 2,000,000 to 3,500,000 shares and by-law providing for sale of shares at a discount of not more than 97%. Afton received 550,000 shares in Mervyn Malartic Gold Mines formed to take over claims in Malartic twp., but so far it has proved impossible to complete financing arrangements for Mervyn Malartic Company.

• • •

Big Missouri milled 18,893 tons of ore in July, it is stated, an average of 610 tons daily. Mill heads are reported to be 0.10 oz. gold per ton with operating costs about $2 per ton.

• • •

Bobjo has resumed operations at its original property at Clearwater Lake in Uchi Lake area. Diamond drilling is planned in the near future.

• • •

Bralorne is reported to have opened up several hundred feet of ore in 51 and 53 veins on No. 14 or lowest level.

• • •

Central Duverny Gold Mines filed amended registration with SEC at Washington on Aug. 12.

• • •

Coniaurum Mines is paying dividend of 5 cents per share Sept. 16, to shareholders of record Sept. 6.

• • •

Credo Porcupine has outlined 5 blocks of ore containing approximately 20,000 tons, according to officials. A length of 900 ft. of the 1,600 ft. exposed has been drilled.

• • •

Deep Lake Gold Mines, operating a gold property in Michipicoten area, recently shipped a gold brick. The shaft is being sunk from 145 ft. to allow opening of four new levels.

• • •

Faulkenham Lake is drilling its Starratt-Olson property while shaft sinking operations get under way. Ore body has been extended to a length of 400 ft. averaging $17.30 per ton across 7 ft., two latest holes returning values of $10.40 across 4.5 ft. and $7.50 over 6 ft.

• • •

Gillies Lake-Porcupine has called special meeting on Sept. 8, to obtain shareholders' consent to increase in authorized capital from 2,750,000 to 5,000,000 shares. If increase is approved, shareholders will be asked to approve issuance of 1,000,000 shares to Empire Gold Mines for purchase of their property of 520 acres adjoining company's property. Shareholders of Empire are being asked to consent to sale of their property on Sept. 9.

• • •

Golden Gate reports rich showing in 405 east stope. A length of over 40 ft. has been opened up carrying free gold full length and slashing shows a width of 60 inches assaying $157.60 per ton first 30 inches and $9.80 for second 30 inches.

• • •

Greenlee Mines has found 10-ft. quartz vein on its John group, staked recently in Thompson and Tibbitt Lakes area, Yellowknife district. Other properties held comprise 19 claims, Greenlaw twp., Swayze district, 18 claims, Beardmore-Jellicoe area, 200,000 shares of Athona Mines and 500,000 shares Fondulac Mining Corporation.

• • •

International Mining Corp. has optioned claims in Gloucester county, New Brunswick, from Barry Lake Mining Co., the latter reports.

• • •

Lake Dufault Mines has received assay results on its No. 12 hole in which a high-grade ore section was cut, as reported last week. First medium grade ore section had a length of 18 ft. 3 in. running 3.88 per cent copper, 0.02 oz. gold, and 2.63 oz. silver. The second main core section, 54 ft. in length, ran 8.50 per cent copper, 0.114 oz. gold and 3.40 oz. silver.

• • •

Lake Shore annual report is to be forwarded shareholders about Sept. 6. It is expected to show earnings for year ended June 30, 1938, of about $3.65 per share, according to independent reports, representing considerable withdrawal from surplus for the payment of dividends during the year.

• • •

Manitou Mining Co. has changed its name to Empire Mercury Mines with no change in capital structure involved. There are 83,528 shares issued. A 10-ton mercury furnace installed should be in operation about Sept. 1 and production is expected to amount to about 10 lb. of mercury daily, worth about $10 per lb. This operation will show a small profit, it is stated. Mercury veins have been disclosed over a wide width and actual treatment is felt to be the only way to determine grade. In general, ore is stated to be low grade.

• • •

McFarlane Long Lac is diamond drilling its Little Long Lac property. Three holes have indicated vein for 400 ft. east from shaft with values of $16 per ton. If financing negotiations are successful, underground operations will be carried on when drilling is completed, it is reported.

• • •

Naybob Gold Mines has appointed Dr. W. F. James consulting engineer, according to an announcement of R. J. Naylor, president.

• • •

Ontario Nickel has let contract for 5,000 ft. of diamond drilling following completion of financing reported last week. Present programme of drilling is to be carried out on Moose Lake property where previous work indicated $2,500,000 of ore down to 250-ft. level.

• • •

Okalta is drilling deepest well in Canada and what is also perhaps the most interesting test well in Alberta. It is located two miles west of the proved producing area on the west flank of the Turner Valley and recently encountered limestone at a depth of 9,735 ft. Arrangements are now being made to complete well, it is understood.

• • •

St. Anthony has opened 420 ft. of ore in its No. 2 vein at the 750-ft. level with last face running $49.70 per ton across 60 inches. Same vein has been opened at 625-ft. level for 30 feet, with values running from $7 to $27.30 per ton across widths of 24 to 54 inches. Mill is treating 84 tons of ore daily, grading $11 per ton with August production estimated at $30,000.

• • •

Teck Hughes has declared an extra dividend of 5 cents per share payable along with the regular quarterly dividend of 10 cents on Oct. 1, 1938, to shareholders of record Sept. 9.

East Malartic Work Progresses

Shaft Sunk to 840 Feet — 1,500,000 Tons of Ore Developed

East Malartic Mines four-compartment shaft has been completed to 840 ft. with levels established at 150, 335, 485 and 670 ft. On the three upper levels drifting has extended and the ore body explored to the west boundary of the property. On the lower level, the haulage drift, which is parallel to but not in the ore, has been driven west a distance of 480 ft., and the ore body explored by one crosscut and two diamond drill holes over a length of 150 ft. The average width of ore in these three intersections is 32 ft., having an adjusted value of $7.05 in gold per ton.

In his report to the management Edward Futterer, of Futterer and Reid, consulting engineers, states: "In view of the persistence of the ore with depth on the upper levels there is every reason to expect a comparable ore length on the 670-ft. level.

"To date, west of the shaft crosscuts, approximately 1,500,000 tons of ore have been developed. Further extensions of drifting to the west on the 670-ft. level should, however, add materially to this reserve.

"After making an adjustment for erratic assays the average grade of the ore developed to date is estimated to be $7.30 in gold per ton. If 20% is allowed for dilution, however, this average is reduced to $6.30 per ton."

On the 485-ft. level, which is the only level where drifting has been carried out east of the shaft, the face of the east drift is 480 ft. from the shaft crosscut with the average of drift samples for the last 50 ft. amounting to $12.30 per ton in gold. Total ore widths have not yet been established and no estimate of tonnage made. The continuity of ore in the east drift is stated to be of importance as the company has two miles along the contact to the east.

Operating costs are expected to amount to $2.50 per ton before taxes and write-offs after the first few months of operation. The nominal rate of the cyanide mill is 750 tons daily and that of the crushing plant 150 tons per hour. Milling operations are expected to commence about Nov. 1 although for two or three months the mine may have difficulty in meeting mill requirements. About 3 tons of ore will be broken and left in the mine for each ton milled for the first year of operation.

Upper Seine Reports Discovery of New Vein

A new vein is reported to have been discovered on the reef structure of Upper Seine Gold Mines, as a result of prospecting this section of the property. The new discovery is distinct from the main development operation on the Sawbill vein. A length of 75 ft. has so far been exposed with one section showing a width of 42 inches, states W. N. McLintock, engineer in charge. Further exploration of the showing is hampered by deep overburden and diamond drilling is being considered to overcome this. Drilling has already been recommended for the Williams pit where a discovery of high-grade ore has been reported.

Lipstick and Bombs

Move to Develop Mercury in B.C. as Armament Race Sends Prices Up

Bombs and lipstick—there are two uses for mercury.

War torn Spain has been the world's leading mercury producer.

Last week, The Financial Post reported that Japanese interests have just secured rights to develop mercury deposits in British Columbia.

There you have the ingredients of a first-rate international romantic melodrama.

Of recent years, Canada has not been a producer of mercury. The price has been relatively low. But then came the armament race, with the soaring demand for the slippery metal. It is one of the most essential substances employed in the arms business. It is a vital part of many detonators which explode shells and bombs.

Then came the war in Spain, drastically restricting the supply. For years Spain has produced over a third of the world's supply.

The little Spanish town of Almaden has long been a major goal of the Franco troops. For Almaden is centre of the Spanish mercury business. and mercury can be sold abroad to bring him much needed foreign credits.

More important, if Franco gets Almaden and control of its mercury the Dictators will have perhaps 85% of the world's mercury supply in their control. For Italy is second biggest producer and Mussolini likes Franco.

And now Japanese interests start in Canada. Ontario produced a little mercury in the past, largely as a by-product of some Cobalt silver ores. But British Columbia has been the chief source. Near Savona, Kamloops Lake, pioneers got over five tons of it between 1895 and 1897.

Current price for mercury is around $90 per flask (76 pounds).

Three companies have been reported developing their deposits in the Bridge River area of British Columbia, the Manitou Mining Co., the Conardon Mercury Mines and the Anglo-Western Mercury Mines.

Mercury is extracted from a bright red rock-like substance known as Cinnibar, mined far underground. Vapour from the Cinnibar is said to be so dangerous to human health that Spanish workers are allowed to work only eight days a month and five hours a day.

Because new uses for mercury in science are being found, observers see a broadly improving market for it.

Meanwhile, most of us have some of it in fillings in our teeth, we have it in thermometers, in half a dozen of the drugs in our medicine chests, in paintings on our walls (for a mercury compound makes the color vermillion) and thousands of years ago it was slaves who discovered that the magic metal of Almaden made rouge and lipstick for the faces of their ladies.

'Big Names' Said Pleased At Opeepeesway Prospects

From Our Own Correspondent

SUDBURY.—Before the snow flies it is likely real insight may be had into the importance of the new gold field at Opeepeesway Lake, Osway township, north of Sudbury.

The original find there was made in July by Bert Jerome, acting for the Mining Corporation of Canada. Work now in hand may give some idea of whether the district has the earmarks of a producer or if it is likely to fade as was the case in the Swayze field to the southwest.

Old-time prospectors like Russ Cryderman, of Sudbury, and Bill Smith, of Duluth, who put through the deal with the Longyear people for the Falconbridge Nickel Mines, are agreed that the Jerome find on a peninsula on the south shore of Opeepeesway Lake, is just about the best display at the same stage of development that they have seen.

Others who have examined the surface showings are more than casually interested, and believe that the discovery will lead to the opening up of a promising field. It may be, they assert, that the area contains the enrichment of the deposits which have been located and explored during the last few years at Three Ducks Lake and Swayze.

At any rate, several of the principal mining companies operating in Northern Ontario are in the field, with claims already staked or looking over the ground.

Last week 15 claims were staked in the names of individuals, reportedly for Falconbridge Nickel interests. Two Hollinger engineers were recently making inspection of the showings and were reported favorably impressed. Roche Long Lac has secured several groups of claims near Mining Corporation's claims. Nine claims have been secured in one group on strike, being separated from the original find by one group of six, independently owned. Another group of six claims has been secured to the west and the company has a party in the field doing additional staking.

Staking has extended both east and west along the break between the schists and sediments. The vein has been reported across the entire Osway township to the west, and traced easterly into Huffman township, where much of the latest activity has been centred.

Stan Gifford, well-known prospector, has a group of 20 claims for himself and associates, adjoining the Jerome claims to the east and on the line of strike. Gifford is now engaged in surface exploration of the property.

The first work party in the field was taken in by Jerome a few days ago for Mining Corp. A party of six men was flown in from Gogama, along with necessary tools, supplies and equipment, and trenching has been started across the vein, which shows widths up to 18 feet.

Several independent groups are putting down test pits on their claims. Altogether, it is stated, around 300 claims have been staked as result of Jerome's find.

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers

A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto 2.

Goodfish Mining Co.

I am holding several thousand shares of Goodfish Mining Co. Ltd. stock. Could you give me whatever information you can in regard to the present standing of the Beanland property, and any prospects it might have for future development?

Goodfish Mining Co. is now entirely a holding company. Its chief assets comprise 552,063 shares of the Beanland Mining Co. and approximately one million shares of Miles Martin Kirkland Mines, Ltd. The property of the Goodfish Mining Co. has been developed on two levels at 175- and 325-ft. depths. Lateral developments at both levels are stated to have proved commercial ore bodies of an indicated average grade of $10 and $12 per ton. Work is not being carried on at the present time.

Sun Bear Mines

May I trouble you to give me the benefit of your advice about Sun Bear Mines Ltd. property and stock as a long term prospect?

While Sun Bear Mines is not very active at the present time, the company possesses a number of properties in the Northwest Territories which may eventually prove of merit. Its holdings comprise 16 claims in the Yellowknife, the right to hold an 85% interest in the Sun group in the Yellowknife area, and 22 claims in the Gordon Lake area. In addition, the company holds one million shares of Murmac Lake Athabaska Mines Ltd., whose property adjoins Consolidated Mining and Smelting Company's property at both ends.

As activity is increasing in the Yellowknife, it is probable the company will complete financing for further exploration.

McIntyre Porcupine

What is your opinion of McIntyre Porcupine Mines as a permanent investment? I should like to know what rate of interest the present dividend will give a purchaser of stock outright, and if this is likely to be increased.

Shares of McIntyre Porcupine Mines are considered a legal investment for life insurance funds and are held in the portfolios of some of the Canadian life insurance companies.

McIntyre Porcupine is well and conservatively managed, and has built up a large investment reserve. According to the last annual report it had in Government bonds and other marketable securities a market value of approximately $16 millions. The company's ore reserves were valued at $39,779,071. Present dividend rate is $2 per share per annum which, at $48 per share, is equivalent to a yield of 4.17% per annum.

The matter of a dividend increase has been brought up at every annual meeting of the company for some years past. The present management has been anxious to conserve resources as much as possible and to build up a good reserve, provided shareholders were given a reasonable return on their money. It is possible, however, that some consideration may be given in the near future to an increase in dividends. On this point little can be said at present.

Associated Goldfields

Would you please inform me as to what became of Associated Goldfields Mining Co. Ltd.?

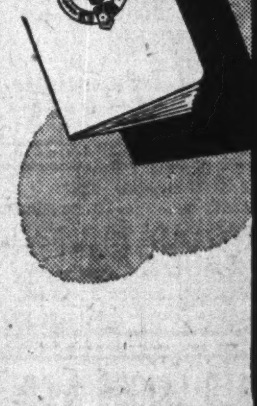
Canadian Associated Goldfields Ltd. took over properties of Goldfields Ltd. and its controlling company, Associated Goldfields Mining Co. Ltd. and other companies in 1921. This outfit went bankrupt in 1928 with an authorized capitalization of $30 millions of which some 21,934,000 shares were issued.

Creditors of Canadian Associated Goldfields formed Proprietary Mines Ltd. in 1930 which company has been recently enjoying a rather favorable outlook because of revived interest in Larder Lake, also because of its ownership of the Larder Lake town site.

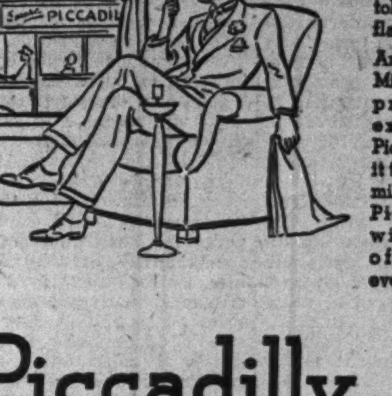
Caryl Mining Corp.

What can you tell me about Caryl Mining Corp.?

Caryl Mining Corp. was associated in the financing of Chesterville Larder Lake Gold Mining Company, and now owns 125,000 shares in this company. At last report there were 719,095 shares of Caryl Mining Corp. outstanding.



What does your Pass-book say?
The balance in your bank book tells the story—tells you where you stand from day to day . . . from week to week . . . from year to year. Keep that balance growing.
Every branch office of this Bank has a Savings Department. Your account will be welcome.
220
IMPERIAL BANK OF CANADA
Head Office: Toronto
BRANCHES THROUGHOUT CANADA



Piccadilly

Piccadilly is the aristocrat of all smoking mixtures . . . a noble tobacco, pleasing in flavour—high in quality.
And it is a real "London Mixture" — the kind preferred in the exclusive clubs of Piccadilly from which it takes its name. Cool, mild, slow-burning, Piccadilly tobacco wins the praise of connoisseurs everywhere.
Piccadilly
LONDON
SMOKING MIXTURE
MILD

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping With the Times
220 Rooms

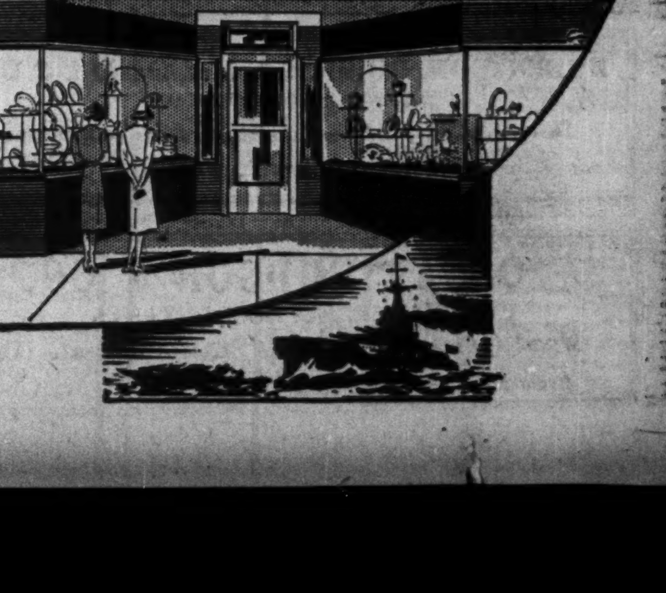
NORTHERN CANADA MINES LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

THE DOMINION LIFE ASSURANCE COMPANY
THERE ARE TWO ENDS TO THE RAINBOW—MAKE SURE OF YOUR CACHE ON THE RETURN JOURNEY.
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO - ONTARIO

ONE OF THE WORLD'S WONDERS
4-IN-1 POLAR DOWN SLEEPING ROBE
These 4-in-1 Polar Sleeping Robes are changeable to suit climatic conditions. Sanitary and healthful. The vacuum control is the secret. New ideas embodied which give comfort to those who sleep in the great outdoors. Write for latest catalogue.
S. S. HOLDEN LIMITED
Manufacturers of Clothing and Equipment for Life in the Great Outdoors
HEAD OFFICE - OTTAWA, ONT.
Sales Offices—Toronto, Montreal, Quebec
Also: 517 Eleventh St. N.W., Washington

"Nothing else met our requirements fully"

DOMINION Battleship LINOLEUM
says J. WM. REID
REID-ROWLAND
English China Store
Many retail store owners have had this very experience with Dominion Battleship Linoleum. Its quiet resilience pleases customers. Its permanence and easy and inexpensive maintenance reduce overhead.
Consult your architect or floor contractor about this colourful, modern floor and ask about our 5-year Guarantee.
Dominion Battleship Linoleum comes in 19 shades and effects to be laid with or without border treatment or in tile or other effects.
DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your Overhead is Underfoot?"



Health Insurance Plan Expected at Next Session

From Our Own Correspondent

VANCOUVER.—Inasmuch as the Liberals are the party in power and there seems to be no prospect of their early dislodgement, the provincial convention of the organization, at Kelowna may be accepted as a pretty accurate indication of governmental policies during the next year or so.

There was no doubt of the popularity of Premier T. D. Pattullo. He received an ovation when he appeared at the convention, and there was no serious criticism of the Pattullo policies. Apart from a minor revolt over public works expenditures, there was no sign of disharmony. It was just a pleasant family gathering.

Health Insurance

Of particular interest to business men was the party's inclusion of health insurance in the Liberal platform. There is no longer much doubt as to the Government's intention of going ahead with this measure, long in abeyance as a result of the barrier raised against it two years ago by medical men who refused to cooperate on the grounds that the scheme was unsound.

Although health insurance has long been on the party platform, the Government was reluctant in view of opposition from various interests to put a bill through and instead referred the issue to a plebiscite. Even when a majority of 40% was rolled up in favor of a "scientifically sound" scheme of health insurance, the Government still hesitated. But the convention has given it courage, and it seems certain that action will be taken at the next session.

An equal certainty is appointment of a public utilities commission, although it has not been established whether such a body will be an independent board without political affiliations of any kind or merely another government department.

Education Costs

The convention went on record as favoring provincial control over education costs, which would relieve the municipalities of school expenditures and administration.

One announcement of considerable importance, but which left room for a good deal of speculation as to just what was meant, was Premier Pattullo's statement that the province could look for substantial reduction in gasoline prices. This was taken as an indication that the gasoline board under Dr. W. A. Carrothers, which has been "mopping up" since the exhaustive investigation of gasoline and coal prices by a royal commission, is ready to bring about some form of regulation over the retail sale of automobile fuel. Already, nearly all sales outlets for oil and gasoline are under provincial license.

Another announcement relating to oil, but far removed from the question of sales, was that the Provincial Government intends to do some wildcatting in the Peace River country, and a considerable area is to be set apart for well drilling in the near future.

Significance in this announcement lies in the known aspirations of Premier Pattullo to open up the northland. It may even be tied in with the building of the Alaska Highway, which the convention incidentally endorsed emphatically.

Yukon Annexation

Mr. Pattullo made no attempt to get a vote on Yukon annexation, and it is probable that the convention would have balked had he done so. Yukon annexation is not popular politically either in the Yukon or British Columbia, and Mr. Pattullo, who is an astute politician in spite of his northern "dream of empire," was not inclined to force the issue. A "no" might have been embarrassing.

A national "compulsory contributory insurance scheme for retirement allowances" to be initiated by the Federal Government was urged by the convention.

The party also favored selective immigration and exclusion of Oriental immigrants.

CHARTERED ACCOUNTANTS

THE ACCOUNTANT AND THE MUNICIPALITY

The burden of taxation is felt by all, and the continual increase in the disbursements of public bodies for the direct benefit, ostensibly, of the residents of any municipality is reflected in the continually increased weight of this burden. The man on the street casts doubt upon the value of the municipal services rendered, and feels that, of the many dollars contributed by him, only a few are so spent as to improve his standard of living.

The ratepayers of a municipality are the partners and shareholders of a municipal corporation; and sound business management is no less important in this field than in the realm of general business activity. Careful budgetting, careful financing and careful spending on the part of municipal authorities do much to raise the morale of its ratepayers. Many problems besetting these authorities are disposed of on the advice of skilled accountants and their services are frequently required in such matters as—

To so arrange accounting methods that reliable information is available at all times,

To draw attention to experiences which may be unexpected or which may deviate from the normal expectancy,

To prepare reports to the ratepayers in such form that they may be of service to them,—and so on.

This is another of the fields in which the chartered accountant by his training and experience is of constructive value to the community.

One of a series of brief discussions of the work of the chartered accountant.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

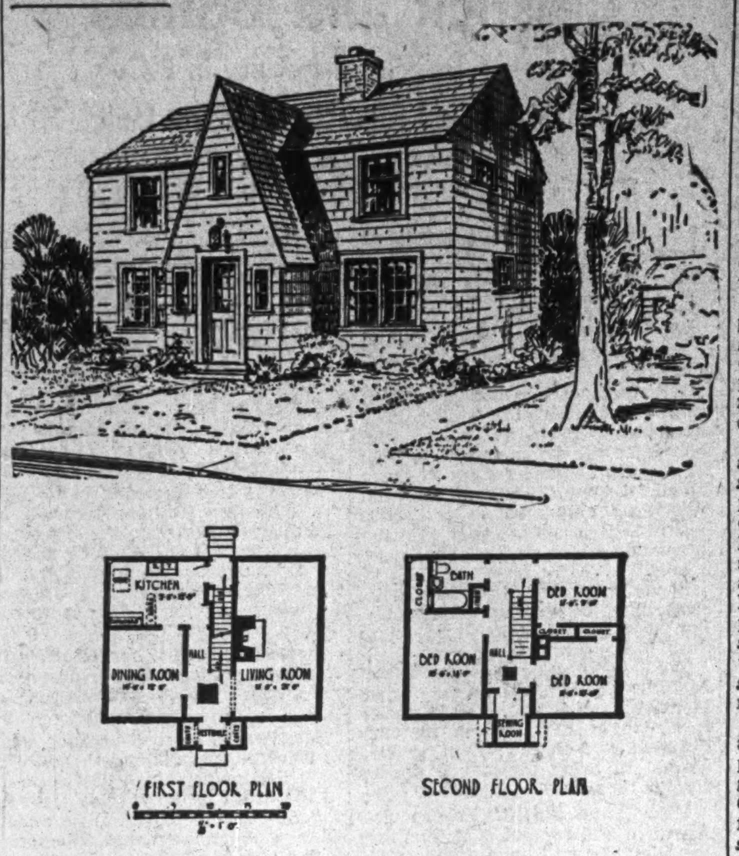
CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

OSCAR HUDSON & CO.
CHARTERED ACCOUNTANTS
Head Office — 199 Bay St. — Toronto, Ont.
Telephone ADelaide 2381
Branches—London, Montreal, Windsor, Winnipeg, Vancouver

Construction



QUICK BUILDING

This is the first house constructed under the small homes plan of Building Products Ltd. and the National Housing Act in the Montreal area. It is now nearing completion at Dorval. Known as a Bonnydale type, it was planned to cost approximately $4,300, including all plumbing, heating and interior fixtures.

Within four weeks of the first excavation work, the house is now almost finished. Quick construction, it is pointed out by the builders, is made possible by the use of prefabricated materials both inside and out. Over the outer surface, insulated siding is attached, which is moisture-proof and fire resistant. Inside is finished with insul-board sheets especially cut to sizes of 16 feet by 9 feet to avoid joints. Partitions are also of this board, and no wallpaper is necessary, since these inner surfaces may be painted any color desired. Frame roof is covered with asphalt shingles, fire resistant, and of a permanent color.

The Dorval House involves a down cash payment of approximately $800 with the balance paid over a period of 20 years. Monthly payments, including taxes, it is estimated, will amount to $27, which is a much lower figure than the average rental for an older house of similar size in the same general locality.

The home includes a finished basement with room for games and a pipeless hot-air heating system, dining room, modern kitchen, and a 16-foot living room with fireplace, on the first floor. On the second floor are three bedrooms, sewing room and bathroom.

Construction World

Activity on the Pacific

Vancouver continues to be one of the bright spots in Canada as far as construction activity is concerned. Report of the city's building department for the first six months of 1938 shows an increase in value of permits issued of 7% over the same period of last year, 53% over 1936. Total for the first half of this year was $4,684,760, compared with $4,377,055 in the January-June period of 1937 and slightly over $3 millions for 1936. The figure for the past six months was boosted by brisk activity in residential building, and issuance of a $1 million permit covering part of the Lion's Gate bridge project.

* * *

Co-operative Housing

Experiment in development of low cost housing on a co-operative basis has been undertaken by the Nova Scotia Housing Commission. A miniature community, starting with a nucleus of 11 houses, will be developed at the coal mining town of Reserve, Cape Breton. A feature of the plan is that much of the construction work will be carried out by prospective occupants of the houses, under supervision of the Housing Commission's architect and officials. This method of producing dwellings at low cost has been extensively utilized in Sweden, and has been an important factor in achieving the extremely low rates of rental-purchase prevalent in that country.

* * *

All-Glass Show

Glass bricks, tiles, columns, towers, furniture and innumerable forms other than the familiar mirror and windowpane, will be one of the structural and ornamental features of the New York World's Fair 1939.

Three of the largest glass firms in the United States have joined forces as Glass, Inc., reports Canadian Machinery. The new company was formed for the sole purpose of erecting a glass building at the fair and organizing the extensive exhibits. The firms are: Owens-Illinois, Corning and Pittsburgh.

The building will embody every possible use of glass as building material in conjunction with other materials and at the same time will utilize glass for color and lighting effects. The interior exhibits will portray glass achievements dating from the Phoenicians and evolving through modern research laboratories and industrial developments to the many present and possible future applications of glass. Approximately 100,000 products may be displayed.

* * *

Contract in Glass

The contract with the fair corporation was signed with a glass pen, on a glass desk, in a glass room of a glass office, and all surroundings in glass. Architectural details of the building will be announced later.

A second all-glass building at the fair will be constructed by the Libbey-Owens-Ford Co., of Toledo, Ohio, which has contracted for 28,428 square feet of space in the community interests zone. Striking and original plans have been made for the building. The entire exterior is to have a facing of the newest type of flat and structural glass. The dominant feature of the design is an all-glass tower 60 feet in height.

The building will be, in effect, a huge semi-circular glass "show case," backed by a blue plate-glass mirror. The latter, reflecting the curved front, creates the illusion of a complete circle. In the centre of the mirror, equi-distant from all points along the circumference of the glass front, will rise a translucent glass tower. When illuminated from within, this will become a beacon of soft, glowing color.

Rackets

Rug Swindle

Oriental rug racketeers, whose operations in Toronto have been checked by efforts of the Toronto Better Business Bureau, are expected to attempt new high pressure sales methods in other Ontario centres. They tried to get started in Ottawa, but were chased out by the police at the instigation of the Ottawa-Hull Better Business Bureau.

Using misleading advertisements and unidentifiable telephone numbers, the Toronto group offered so-called genuine Oriental rugs, indicating that the would-be buyers were dealing with home-owners "going south," "leaving town," or "selling out." Better Business Bureau investigators discovered that the exceptionally low prices quoted were merely "bait," inferior rugs being offered the victim under the guise of high quality merchandise.

One victim bought a so-called "genuine inlaid broadloom," only to find it an inferior jute rug of little value. First asked $78 for the rug, the victim's suspicions were still not awakened when he "succeeded" in beating down the price to $20. At either price, he was the loser. Bureau officials urge that Ontario rug buyers deal only with stores of established reputation.

New Building

Imperial Tobacco Co. is calling for tenders for construction of an addition to a warehouse at Leamington, Ont.

Banff, Alta. has secured government approval for the erection of a $50,000 school and auditorium building.

City of Vancouver has received application for a permit to erect a $148,000 hospital.

A new ice arena to cost $87,500 has been approved by St. Catharines. Ice surface will be 190 x 80 feet.

Bank of Nova Scotia has been issued a permit to erect a $60,000 new building at New Westminster, B.C.

Brading Breweries Ltd., a subsidiary of Canadian Breweries Ltd. will erect a new $750,000 plant in Ottawa. Location as yet undecided.

City of Quebec is calling for a contract for a new $150,000 Catholic school.

* * *

Reported by Engineering and Contract Record:

Canadian Dredge and Dock Co. has been awarded Dominion Government contract for harbor $100,000 improvements at Port Arthur.

Western Steel Products Ltd., Calgary, has been awarded contract of $100,000 for a school for Paxton Valley, B.C.

Chartered Accountants

STEMPEL and PATRICK
Chartered Accountants
SASKATOON and YORKTON
Sask.

Hudson, McMackin & Company
Chartered Accountants
SAINT JOHN and
MONCTON, N.B.
HALIFAX, N.S.

MASECAR, DeROCHE & McMILLAN
Chartered Accountants
SASKATOON, SASK.

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

RONALD GRIGGS & CO.
Chartered Accountants
WINNIPEG
SASKATOON

British Rail Amalgamation

(Continued from page 9)

has been a washout. The record, here, may be traced in speeches made by Lord Stamp. In July, 1926, he said: "The question is asked, 'Have we realized the savings predicted?' I answer 'No.' Economies of amalgamation take time to become effective. We hope that the amalgamations and economies will be effective later. But it takes a long time to work them out."

On Dec. 8, 1927, he warned the public not to take too seriously, "the glibly given and blithely estimated economies of the politicians." He pointed out that economies often require considerable capital expenditures to bring about.

A year later, explaining why amalgamation economies were so slow in materializing, he said: "The public interest has to be protected, often at the expense of economy." He referred to two lines serving the same general area, but 10 or 15 miles apart. "Both these lines and establishments must remain open with pretty full costs, and service at local stations and their immediate districts must go on. . . . Where the strong line absorbs the weaker, both must generally remain open."

Innumerable examples of the inability of the railways, because of public opinion, to cash in on amalgamation economies could be cited. One of the major provincial centres, for example, used to be served by seven railways. Five of these roads were amalgamated into one, yet the five stations are still maintained and operated because of the demand of the public service.

Courage and Imagination

Three aspects of post-1923 British railway operation are important. In the war, owing to pressure of troop movements, rail travel was discouraged. Since amalgamation the railways have displayed rare courage and imagination in luring the public aboard trains. Excursion rates, sharp reductions in standard rates, hikes about the country with guides, all manner of devices have been employed and with immense success.

Then in 1932, the railways reached agreement on the pooling of freight and the use of passenger tickets for alternative lines. Freight is now pooled and handled in the most economical way. You need no longer return from a trip or a holiday by the route you came—if there is an alternative line. Of course, pooling is not connected with amalgamation. It is practised freely in Britain by four companies and could be practised just as freely by 10 or 20 or by two.

Motor Competition

Finally, there is the chapter on motor vehicle competition. This competition became so keen that in 1928 parliament untied the hands of the railways and permitted them to get into the business. They did so with a vengeance. The L.M.S. today operates 3,000 trucks. The railways bought up large trucking companies like Carter Patersons and Pickfords and they are using the truck to the limit both as a feeder for rail and as means of transportation in itself. The British operators realized that to a great extent road and rail are not hostile but complimentary.

The railway has the immense advantage of speed (there isn't really any long haul traffic in Britain); while the road excels in convenience particularly in the movement over short runs of small freight and perishable goods. In entering the motor vehicle business in a big way, the railway operators have not sought to throttle it or use it only as a feeder for rail. To the extent that the truck can help the railway, they have used it. Otherwise, they have pushed the truck business for all it is worth.

In 1930, largely on the initiative of the railways, parliament regulated the road vehicle business just as other forms of transportation are regulated—to assure safety and decent conditions of labor. Also, road carriers were made to pay a fair tax toward the upkeep of the highways they use.

Political Handicaps

One more point may be made with respect to amalgamation. It is a matter of keen regret among railway executives that political action has prevented them from making the savings, by way of abandonment of unneeded line and services, which are undeniably possible.

As to the savings which have been made, it is to be doubted if any substantial part of them can be attributed directly to amalgamation. The Great Western Railway is cited as evidence on this point. The Great Western emerged from amalgamation virtually unchanged. The 32 companies it took over were bits of line in the Welsh colliery areas, amounting in all to only a few hundred miles. Moreover, the slump in the coal trade made these lines a liability to the pre-amalgamation company, not an asset.

Yet the Great Western, injured and not benefitted by amalgamation, has turned in just as great savings on operation account as the other roads. Taking operation efficiency in 1923 as equalling 100, the showing is: Great Western, 78; L.M.S., 77; L.N.E., 78. These are the figures of the Railway Research Institute, supported by the railways themselves. The fourth road, the Southern, is largely electrified and deals chiefly in London suburban traffic and, therefore, is not comparable.

The length of the four roads in Britain now varies from 2,129 to 7,654 miles. It is notable that Sir William Wood, vice-president of the L.M.S. and a leading railway authority, is strongly of the view that further amalgamation in Britain would be unwise. British railways are as large as they have a right to be. They are as large, he says, as can be efficiently managed.

The attitude of most British railroad executives to the Canadian railway problem is fairly uniform. They do not, in the main, see any resemblance between what happened here in 1923 and the unification proposal which is being discussed in Canada. The 1923 amalgamation, they think, was Britain's solution to the problem which, in much smaller dimensions, faced Canada during the later years of the war. They do not favor unification in Britain and, naturally, they are disillusioned as to the economies to be obtained from amalgamation by way of abandonment of line or services.

They declare that Canada has the lowest freight rate structure in the world; that Canada's low rates have driven the railways of the Argentine and Australia into desperate deficits and affect the operation of railways in every country which exports wheat and other goods in competition with Canada.

The solution of Canada's problem, they say, lies in a higher rate structure—comparable, for example, with that of the United States. Canadians should realize that they cannot have their cake and eat it, too.

If freight rates are too low to support the railway companies, then the shippers are receiving an unfair bonus at the expense of the owners of railways.

And if parliament does not care to right this wrong, it should do the just thing and pay the railways, by a grant of money, the difference between the rates as they exist and as they ought to exist if transportation is to be carried on at a fair profit.

HERBERT TAREYTON
LONDON
SMOKING MIXTURE

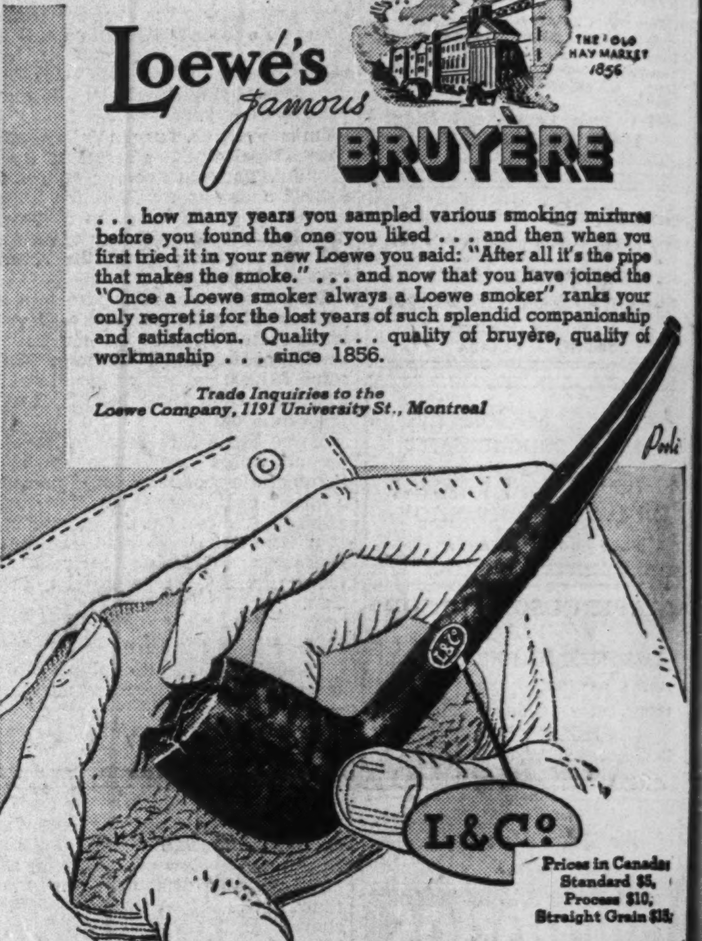
Now

HERBERT TAREYTON

In Pouches

POUCHES - 25c
PACKAGES - 25c
HALF-POUND TINS - $1.50

"THERE'S SOMETHING ABOUT IT YOU'LL LIKE"



Loewe's famous BRUYÈRE

. . . how many years you sampled various smoking mixtures before you found the one you liked . . . and then when you first tried it in your new Loewe you said: "After all it's the pipe that makes the smoke." . . . and now that you have joined the "Once a Loewe smoker always a Loewe smoker" ranks your only regret is for the lost years of such splendid companionship and satisfaction. Quality . . . quality of bruyère, quality of workmanship . . . since 1856.

Trade Inquiries to the Loewe Company, 1191 University St., Montreal

Prices in Canada:
Standard $5,
Process $10,
Straight Grain $15.

BY LOEWE OF THE HAYMARKET
LONDON ENGLAND

The work of these men in foreign lands should be known to All Canada

They create business and jobs for Canadians

CANADA'S export trade is big business. Last year it amounted to more than a billion dollars—4 million dollars a day. It is estimated that more than half of Canada's population is dependent upon export trade for a living.

54 Foreign trade specialists

The maintenance of export trade is so vital to Canada that the Dominion Government, through the Department of Trade and Commerce, keeps 54 Trade Commissioners and Assistant Trade Commissioners in other countries. These men were all trained for this work. They are foreign trade specialists. They know what Canada grows and manufactures. And they are constantly studying foreign markets to find new outlets for Canadian products and to report changes in business conditions that may effect the sale of already established lines of Canadian merchandise.

During the last fiscal year these Trade Commissioners furnished many thousands of reports to Canadian firms outlining prospects for the sale of Canadian products abroad. They assisted directly in the establishment of 762 agencies to represent Canadian manufacturers. They were influential in assisting exporters to secure more than $22,000,000 of new business. They helped smooth out customs and exchange difficulties, and assisted in cementing friendly relations between Canadian exporters and importers in other countries.

The more products sold abroad the more work for those at home

The work these Trade Commissioners do cannot be measured by any single year's accomplishments. The results are cumulative. Small initial orders they help Canadian exporters to secure one year frequently grow into larger and larger orders. Manufacturers, working men, farmers, practically everyone in Canada benefits from the work done by these trade representatives of Canada in other lands. The more products sold abroad, the more work for those producing them on the farms, in the forests, on the seas, in the mines and in the factories.

How you can help

We, at home, can help the Trade Commissioners by growing and manufacturing products of such quality that they will bring prestige to the name of Canada and thus make it easier to introduce new products and widen the sale of older Canadian products in the markets of the world.

DEPARTMENT OF TRADE AND COMMERCE
HON. W. D. EULER, M.P., Minister Ottawa J. G. PARMELEE, Deputy Minister